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Daily Report
Central Eurasia

FBIS-SOV-95-025 *7 February 1995*

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Bolshakov: Almaty CIS Summit Date Remains Unchanged

LD0602192695 Moscow INTERFAX in English 1658 GMT 6 Feb 95

[FBIS Transcribed Text] Moscow Feb 6 (Interfax)—Russia's Vice Premier Aleksey Bolshakov has dismissed speculations appearing in certain mass media that the CIS summit in Almaty could be postponed.

Bolshakov, in charge or Russia's relations with CIS countries, said "there have been no reasons, at least so far, to say that the date for the conference of the CIS heads of state and government has changed." The conference will take place in Almaty on February 10, as planned.

Bolshakov said that leaders of the CIS Executive Secretariat were in the Kazakh capital already making preparations for the meeting.

The Russian government, Bolshakov said, continued to actively study materials and proposals drafted by CIS experts to be discussed at the summit level.

The summit's preliminary agenda includes two dozen questions concerning economic, military and political cooperation. Ceremonies marking the 50th anniversary of the victory in World War II are to feature prominently on the agenda of the CIS summit.

Kyrgyzstan Pledges Support to Peace Initiatives at Summit

LD0702094095 Moscow ITAR-TASS in English 0716 GMT 7 Feb 95

[By ITAR-TASS correspondent Boris Mainayev]

[FBIS Transcribed Text] Bishkek February 7 TASS—The delegation from Kyrgyzstan to the meeting of the heads of state of the Commonwealth of Independent Countries will support all the initiatives aiming to preserve peace and stability in the Commonwealth, according to presidential press secretary Kamil Bayalinov.

The press secretary said Kyrgyzstan's President Askar Akayev will lead the republic's delegation to the summit scheduled for February 10 in the capital of Kazakhstan.

"The summit agenda will include a large package of documents relating to maintaining peace and stability in the Commonwealth and a conceptual framework for the protection of the Commonwealth's external borders," Bayalinov said.

"The summit will also consider aspects of collective security and discuss the situation around Tajikistan," the press secretary said.

ITAR-TASS Carries Press Review for 7 Feb

LD0702103695 Moscow ITAR-TASS in English 0732 GMT 7 Feb 95.

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow February 7 TASS—ROSSIYSKAYA GAZETA carries a column of reports on the situation in Chechnya, including an interview with the republic's prosecutor Bek Baskhanov who said he has knowledge of "irrefutable facts indicating that (Dzhokhar) Dudayev came to power through the intimidation of the population and rigging of voting results".

IZVESTIYA runs the first instalment of an article by political scientistd Emil Pain and Arkadiy Popov under the headline "Russian politics in Chechnya: How it came into being. Led to a war, and its future consequences".

The writers of the article believe that a "police operation to disarm unlawful armed formations" could have been carried out in September 1991. Neither tanks, artillery nor aviation would have been needed at that time when agencies the prosecutor's office, police and state security accountable to the central authority still operated in Chechnya at that time. Military units were stationed in Groznyy and Dudayev militants' armament was limited mainly to small arms, the political scientists pointed out.

KOMSOMOLSKAYA PRAVDA carries an interview with General Lev Rokhlin, commander of the Northern Group of Russian Troops in Groznyy.

The general denies assertions about the brutality of the Russian military in Chechnya. He admitted that there were instances of marauding on the part of Russian military. "I myself apprehended a vehicle laden with the loot," he said.

KRASNAYA ZVEZDA (Red Star) carries an interview with Sergey Gryzunov, chairman of the Russian Federation Committee for the Press.

"The Chechen crisis has split the media. However, on the whole, I would not dramatise the situation: during the conflict, in my view, the Russian press in its majority manifested responsibility and qualification that accord with the requirements of the profession. The press showed itself as it must: a witness to developments, describing a war as a war," Gryzunov said.

KRASNAYA ZVEZDA reports that Tatyana Regent, head of Russia's Federal Migration Service, told the newspaper that 180,000 people had left Chechnya to neighbouring and hinterland regions of Russia over slightly more than a month of the military operation.

ROSSIYSKIYE VESTI runs an article which maintains that the present-day system for the administration of the country "in a fanciful way combines new structures of power, the rudiments of old Soviet-style system and some intermediate forms".

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The newspapers expresses hope that matters aimed at strengthening statehood in Russia will figure importantly in President Boris Yeltsin's address to the Federal Assembly on February 16.

RABOCHAYA TRIBUNA reports that about 70 per cent of the coal industry enterprises have confirmed their intention to participate in an all-Russia 24-hour warning strike on February 8.

TRUD runs reports from Kemerovo, Rostov on Don, Vorkuta, and Perm region under the headline "theminers have not accepted the government's proposals. Is Russia threatened with a social outburst?"

ROSSIYSKAYA GAZETA runs a two-page account of the activities of the Moscow municipal enterprise Olimp under the headline "Skyscrapers on sale. In Moscow, not in New York. Cheaply and only to one's own people. Please contact the mayor's office".

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Perry, Claes Cited on NATO Expansion, Russia Relations

MM0702094495 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Feb 95 p 5

[Report by Igor Yavlyanskiy: "Willy Claes To Launch Crusade?"]

[FBIS Translated Text] Bonn—NATO's eastward expansion and relations with Russia were the main issues at a Munich representative forum on the problems of European security attended by foreign and defense ministers from the NATO countries and by leading military experts from the Old World.

U.S. Defense Secretary Perry formulated for probably the first time the main principle under which new members will be admitted to NATO—the candidates should be prepared to defend, if necessary, the member countries of the Atlantic community, and those countries, in turn, must take similar action in the event of an attack on one of the new members. Apart from this, the applicant countries must establish democratic order, market relations, civilian control of the military, and strive for the unswerving observance of human rights.

In the absence of Defense Minister Grachev Russian interests were upheld by his permanent opponent Sergey Yushenkov, leader of the parliamentary defense commission. Incidentally, he also spoke out against NATO's eastward expansion. According to him, this step will lead to Russia's isolation and will put paid to Moscow's efforts on military reform and disarmament. Yushenkov believes that NATO should first carry out its "Partnership for Peace" program and then think about expanding the permanent members of its club.

The forum participants "brainstormed" on the creation of possible models for cooperation with Russia. Perry believes that the security architecture that is being developed should be common to all Europe and should not allow any exceptions or "special" relationships—a place will quite easily be found for Russia within this concept, but not somewhere to one side.

New NATO Secretary General Claes believes: "Russia can only isolate itself. It is too big to be isolated by Europe." (endall) 7 feb pp/ironton/px 07/1002

Foreign Ministry Official Reviews DPRK Visit

SK0702114095 Moscow Voice of Russia World Service in Korean 1200 GMT 6 Feb 95

[From the "Today's World" program by reporter (Krepov)]

[FBIS Translated Text] A group of Russian diplomats returned from Pyongyang recently. Station reporter (Krepov) met with (Valentin Moistov), director in charge of Korean affairs in the Foreign Ministry of the Russian Federation.

Asked about what was discussed during the visit to the DPRK, he answered:

[Begin (Moistov) recording in Russian fading into Korean translation read by announcer] During the Pyongyang visit, we continued the negotiations with the DPRK colleagues on the matters discussed last year. In 1994, Russian Deputy Foreign Minister Aleksandr Panov visited the DPRK as the special envoy of the Russian president. During the visit, Russia and the DPRK noted the needs to develop economic, trade, and political cooperation between the two countries. The two sides had agreed to resume negotiations and dialogue on concrete matters concerning cooperation. To recover trade and ties in border areas was presented as a priority task.

The main achievement of the recent visit was the signing of a plan on exchanges between the two countries' foreign ministries for the years 1995 and 1996. In the two years, the two countries plan to hold 10 meetings through diplomatic channels.

During the meeting with Yi In-kyu, DPRK vice foreign minister, we also discussed some international issues of mutual concern. For instance, we discussed the implementation of the agreed framework between Pyongyang and Washington signed in 1994. Within the boundary of the provision on the supply of light-water reactors by an international consortium, Pyongyang expressed its interest in Russian-made light-water reactors. The DPRK noted the high technological standard and safety of Russian light-water reactors. Relevant DPRK experts are familiar with Russian technologies to a great extent. As of today, the international consortium has recommended the ROK's light-water reactors to the DPRK. Pyongyang believes this is not appropriate due to many technical problems.

During the recent visit, we also discussed the situation of the Korean peninsula. The Russian side stated that North-South dialogue should develop toward a peaceful and democratic reunification. The existing organizations for maintaining peace on the peninsula should be cautiously dissolved and a totally new organization should be formed. The new organization should not only consider the interests of the North and the South but also those of the relevant parties concerned about the peninsula.

The 50th anniversary of the liberation of Korea will be marked next August. Korea was liberated 50 years ago from Japanese colonial ruling. This was also discussed. We agreed to jointly hold a grand celebration for the liberation day. Meetings, report meetings, and rallies of the veterans of the Korean war will be held in both the DPRK and Russia. The concrete plan for the celebration will be available in the near future. [end recording]

Legislators Urge Repeal of PRC Border Pact

MK0702104095 Moscow SEGODNYA in Russian 7 Feb 95 p 3

[Report by Oleg Kryuchek under the "Statement" rubric: "Demarcation or Renunciation? Federation Council Members Dislike Russia-China Border"]

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[FBIS Translated Text] A visit to Maritime Kray by a Russian parliament upper chamber delegation, whose objective was first formulated as "let's go see how're things in the Far East," ended in Deputy Speaker Anatoliy Dolgolaptev's surprise statement on the need to renounce the Russia-China border agreement signed under Gorbachev.

In the wake of several discussions with chiefs of the Maritime Kray administration in Vladivostok, the Federation Council deputy chairman described the above treaty as unacceptable for Russia and as even "predatory," because tracts of Russian arable land in several places go to the jurisdiction of China. In observers' view, Mr. Nazdratenko, who leads the kray's movement for renouncing the treaty, helped Mr. Dolgolaptev get the lay of the border land quickly. Today's situation in the kray's border areas threatens to become a conflict situation because demarcation of the Russia-China border is to be completed along the eastern section already this year, whereas Maritime Kray inhabitants simply do not allow Chinese border guards into their territory.

Aleksandr Filonov, head of the working demarcation group, declined comment on possible developments of the situation and consequences of statements made by Russian officials. Mr. Filonov only said that in view of the possible renunciation of the Russia-China agreement by the Russian Federation parliament, which in principle threatens an international scandal, Genrikh Kireyev, Foreign Ministry ambassador at large directly in charge of the Russia-China border demarcation, is due to arrive in the Far East soon. In all likelihood, it is Mr. Kireyev who would have to comment for the benefit of Chinese authorities on the statements by Russian lawmakers and regional leaders.

Lobov: Moscow Will Negotiate With Chechnya at Any Level

LD0602213995 Moscow INTERFAX in English 1945 GMT 6 Feb 95

[FBIS Transcribed Text] Moscow, Feb 6 (INTERFAX)—The Russian leadership is very much concerned about the intensification of military actions witnessed in Chechnya, Secretary of the Russian Security Council Oleg Lobov told French Ambassador to Russia Pierre Morel. Sources in the Russian Security Council talked to Interfax today about the Friday-evening meeting, which had been requested by the French ambassador.

Lobov said during the meeting that talks with Chechnya were continuing actively. Lobov said that Russian Premier Viktor Chernomyrdin had recently met with representative of various segments of Chechen society. Head of the Territorial Department of the Federal Executive Power in Chechnya Nikolay Semenov was instructed to negotiate with anyone having any control over the situation, even on such a limited territory as populated centers, in Chechnya, Lobov added. He said that such talks were primarily carried out with field commanders and the elders.

Lobov said he had information proving that many field commanders said they were independent from Dzhokhar Dudayev but were afraid of Moscow persecuting them. Lobov repeated the principal position of the Russian leadership and the decision of the State Duma to grant amnesty to everyone voluntarily handing in weapons and returning to civilian life.

When asked about the future of Dudayev, Lobov said he could also enjoy amnesty if he recognized the Russian Constitution i.e. recognized that Chechnya is an integral part of the Russian Federation. Lobov said Dudayev would have to choose between his own ambitions and peace in Chechnya.

Lobov said that Dudayev had made the Russian army use force against his armed formations which resulted in the Parliamentary Assembly of the Council of Europe accusing Russia of "inadequate" use of military force.

Lobov emphasized the decisiveness of the Russian leadership to maintain the territorial integrity of Russia so that "the Chechen syndrome does not grow into the Yugoslav one." He said if the Yugoslav tragedy repeated itself in a Russian version this would be a catastrophe not only for Russia itself but for all of Europe. Lobov said he believed that any attempts to put external pressure on the Russian government were in fact encouraging the illegal power in Chechnya to continue its adventurous policy and further bloodshed.

Lobov said Dudayev had rejected proposals that safety zones be created in Chechnya as well as humanitarian corridors for evacuating civilians. Lobov said he believed that Dudayev was afraid of losing "the live shield" allowing his militants to shoot from behind the backs of the elderly, women and children.

Lobov told the French ambassador that armed supporters of Dudayev forced out of Groznyy had moved to Gudermes, Shali, Argun and other Chechen towns and villages.

U.S. Seen as Playing Games in Gulf Arms Market

MM0702102795 Moscow IZVESTIYA in Russian 4 Feb 95 p 3

[Report by Aleksandr Sychev: "Will We Get Scraps of the Emirs' Cake?"]

[FBIS Translated Excerpt] Prizes as rich as those promised by the countries adjoining the Persian Gulf are a rarity even in the profitable arms business. The fate of contracts worth billions of petrodollars and fiercely contested by major arms firms will be decided here in the next few months. [passage omitted]

It is mainly a game between the leaders—the United States, Britain, France, and the FRG. The rest, whatever hopes they may have had, will get "scraps" from the banquet table. [passage omitted]

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Although we should not expect the arms market in the Persian Gulf and adjoining countries to be repartitioned, nonetheless the emergence of an active new player there—Russia—has got the group of leaders worried.

According to news agency reports, they are taking countermeasures. Thus, in order to harm the attitude to Russian weapons in the region, U.S. firms are claiming that Moscow's crisis economy does not allow it to meet its orders on time and ensure supplies of spares. Recently a new argument has emerged—the Chechnya conflict. On the one hand, it is claimed that Russian tanks have been burning on the streets of Groznyy not because of poor commands but because the equipment is unsophisticated. On the other hand, Western dealers are trying to play on their potential clients' sense of Muslim solidarity.

The S-300 surface-to-air missile system acquired by the United States from Belarusian and Russian firms could also be used to defuse buyers' interest in an effective air-defense weapon. Whatever the results of the tests carried out by the Americans, any assessment of the S-300 by the manufacturers of the similar U.S. Patriot system will be seen as a trustworthy opinion by experts who have access to the original.

Nonetheless, Russia does have an opportunity to strengthen its position here. The unique nature of a number of systems which are in demand in the region, their competitive price and quality, Russia's successful participation in the 1993 Abu Dhabi show, Kuwait's purchase of 60 infantry fighting vehicles and 27 "Smerch" multiple rocket launchers, and, of course, Russian policy—which has been stepped up in the Muslim East—are playing into our businessmen's hands. Our cochairmanship of the Palestinian-Israeli peace process, the conclusion of a 10-year mutual aid agreement with Kuwait, trips by cabinet members to the countries of the region, and, finally, the strongest trump card—Iraq's agreement, achieved with Russian help, to recognize Kuwait's independence—have played their part.

Commentary Asks Who in U.S. Wants To Halt Disarmament

LD0602203995 Moscow Voice of Russia World Service in English 1810 GMT 6 Feb 95

[FBIS Transcribed Text] The House of Representatives Foreign Relations Committee in the U.S. Congress has passed the national security revitalization act introduced by the Republicans. Details from Vladislav Kozyakov and here is what he writes.

The 'NEW YORK TIMES' in its editorial describes this act as nostalgia for the Cold War. It says the bill being pushed through by the Republican majority in the congress may frustrate the awkward attempts by the Clinton team to tailor the national security to the post-Cold War realities. To substantiate their viewpoint, the authors of the article bring forward a number of arguments. For one, they claim the bill will result in mounting pressure for raising military expenditures, spreading NATO defense guarantees to eastern Europe and reducing the United States share in the UN peacekeeping operations. Among these and other clauses of the act is a proposal to renew efforts to build what it calls an antimissile space system, better known as the Star Wars program.

The version approved last week by the House of Representatives Foreign Relations Committee underlines the need to unroll a reliable defense system capable of protecting the United States against ballistic missiles. Such an approach may bring about a serious setback, both in the Moscow-Washington relations and global security.

Pushing towards the creation of an antiballistic missile system would be an encroachment on the ABM [antiballistic missile] treaty signed by the United States and Russia in 1972 which prohibits the building of space or large-scale missile defense systems. It paved the way for agreements on the limitation and later the reduction of strategic nuclear arms.

Who in the United States can be interested in halting or reverting the process of nuclear disarmament?

The question becomes even more crucial given other statements from Washington. Starting from 1993 Russian-American negotiators in Geneva have been trying to determine the concept of strategic and tactical antimissile defense. This is a long standing problem. The point is to maintain the ABM treaty along with setting up defense systems to counter tactical missiles.

With the next round of talks scheduled for March, the U.S. Administration plans to conduct tests already this month, but the aim of the tests is yet to be confirmed. Meanwhile, 22 senators, including the leader of the Republican faction in the Senate, have sent a letter to President Bill Clinton urging him to break off consultations with Russia.

At the September Vancouver summit the Russian-American sides unanimously agreed that the ABM treaty should remain viable and intact, but there have been reports over recently about unpredictable statements and decisions being made in Washington that may affect global security.

Russian, Moldovan Negotiators Cited on 14th Army Pullout

MK0702102095 Moscow NEZAVISIMAYA GAZETA in Russian 7 Feb 95 p 1

[Report by Natalya Prikhodko under the "Moldova" rubric: "Tiraspol Against Moscow And Chisinau Accords. Argument About the Future of Military Equipment and Property Sharpens"]

[FBIS Translated Text] A package of documents on the withdrawal of the Russian 14th Army from Moldovan territory has had three more treaties added to it: on

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terms of military units and their equipment and property shipment, on cooperation in international inspection of Russian Federation military forces arriving in the Republic of Moldova, and on social and pension security for former servicemen and their families. Thus, as was stated at a press conference held in Chisinau by Ambassador at Large Vladimir Kitayev, who heads the Russian delegation at the talks, a mechanism is being put into place for the practical realization of the main agreement on the status, procedure, and deadlines for the withdrawal of the 14th Army, signed 21 October 1994.

Yet to be agreed, according to Vladimir Kitayev, are two additional documents regulating property questions. The first treaty is on the terms of selling the immovable property remaining in the Republic of Moldova after the Russian Army's withdrawal. ("Movables," including large quantities of ammunition, are supposed to be partly shipped out and partly destroyed). Russia, of course, is supposed to take part in deciding on the future of the immovable property created with the Russian Federation's participation and being its property. In which form is yet to be defined precisely. The second treaty is to determine Moldova's contribution to accommodating the units being withdrawn (the size of Moldova's "share" is also being defined in more precise terms). As Kitayev remarked, if the servicemen are not simply to be made to camp out in the field but are to be provided with housing and jobs, the supposition that, as the Army leaves, most of the servicemen hailing from the Dniester Region are going to stay right there, cannot be seen as indisputable at all.

Kitayev said that the Russian Federation delegation on this trip also met with the Dniester leadership, who have taken a special stance on the Russian Army withdrawal. He expressed the hope that through joint trilateral efforts it will still be possible to reach a favorable denouement. He denied Moldovan journalists' allegation that Moscow opposes international control over the Russian troop withdrawal. He explained that when this question was discussed at the Budapest CSCE summit it was decided that this international organization would offer to the sides corresponding help.

Nicolae Osmocescu, Moldovan first deputy foreign minister and head of the Moldovan delegation, confirmed that no political differences had arisen between the Republic of Moldova and the Russian Federation on this score, and both sides today are interested in providing for a civilized withdrawal of Russian forces from the territory of Moldova.

The drafted accords are next supposed to be ratified in the Russian Federation State Duma and the Federation Council, Vladimir Kitayev pointed out, adding that, to his knowledge, Russia has no intention to delay the solution of this problem. "We will meet our obligation inside the envisioned three-year term," Vladimir Kitayev concluded.

To your NEZAVISIMAYA GAZETA correspondent's question on whether it would be possible for the process being so carefully prepared, through some circumstances and despite the understandings reached, to be speeded up in the same way as was the withdrawal of Russian forces from the other regions, Vladimir Kitayev answered that he did not know such circumstances existed.

The foregoing, however, does not preclude the following two conclusions, which cancel each other out: It is quite probable that the ratification of the mentioned documents being swiftly processed in Chisinau and Moscow may drag out. It is also possible that, despite the official decisions, and even without waiting for them, the Russian Army may be withdrawn hurriedly and in a disorderly way owing to, say, existing external factors.

For example, the question of the U.S. role in the withdrawal of the 14th Army from Moldovan territory, something Madeleine Albright, U.S. ambassador to the United Nations, promised energetically to promote, remains open. Such statements could have been given real substance in the recent meeting between Moldova President Mircea Snegur and Bill Clinton in the United States, when the Moldovan president stated on arrival that his country had been promised both moral and material support.

Dniester Moldovan Republic President Igor Smirnov reacted resolutely to the recent accords between Chisinau and Moscow. He issued an edict on 3 February prohibiting the shipment from the Dniester region's territory "material values and military property of the 14th Russian Army." The Dniester Moldovan Republic president's edict went into force yesterday. Chisinau and Moscow will, obviously, be unable to ignore Tiraspol's decision, and this could sour the situation considerably.

Russia, U.S. To Discuss Reactor Supplies To N. Korea

LD0602153495 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 6 Feb 95

[FBIS Translated Text] Talks between Russia and the United States on the problem of supplies of light-water nuclear reactors to North Korea will start in Moscow today. Georgiy Kaurov, head of the press service of the Russian Ministry of Atomic Energy, said in an interview with our radio station that until now neither South Korea, nor the United States had invited Russia to participate in this program.

[Begin Kaurov recording] We had an agreement with North Korea to build light-water nuclear reactors. Our colleagues worked there, but because North Korea has stopped paying all together, we had to withdraw from there completely.

We are prepared to participate in the project to replace Korean reactors. However, we have had no reaction from either the Americans or the North Koreans. The United States and North Korea have been conducting

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bilateral negotiations. Undoubtedly, if present conditions are such that North Korea invites us to participate, we will undoubtedly participate, provided conditions are right. [end recording]

Moscow 'Sees no Reason' To Cut Nuclear Ties With Iran

LD0602184395 Moscow INTERFAX in English 1648 GMT 6 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX)—Moscow "sees no reasons" for curtailing its cooperation with Iran in the nuclear area.

As a senior Foreign Ministry official told Interfax on Monday, "numerous inspections conducted by experts from the International Atomic Energy Agency have shown that the Iranians have neither the intentions nor technological opportunities for working out a military-related nuclear program."

According to the diplomat, "the results of such inspections prompted the former USSR to sign in 1992 a general agreement on building a nuclear-power station in Iran, and inspired Russia to begin rather active cooperation with Tehran in that area."

"To develop that agreement", he said, last December Russia signed a contract to conclude the construction of a nuclear-power station in Tehran. "The station began to be built by the Germans, but the building was suspended at an early stage," the source explained.

In comments on the insistent calls of the US Administration for giving up nuclear cooperation with Iran, the diplomat pointed out: "in this case Washington is more concerned about removing its competitors, rather than about protecting international security."

As he said, "bypassing sanctions imposed by the USA, American companies are building up their trade with Iran through third countries." "They stand almost first for the volume of turnover with Iran," he noted.

"In the meantime the Americans, despite their numerous loud statements, have presented no convincing proof of the fact that Iranian state structures support international terrorism," the diplomat pointed out.

According to him, "the American claims as to Tehran's plans to develop its own nuclear arms are also built on sand."

In this connection the diplomat quoted Russian nuclear physicists as saying that "the type of reactor Russia intends to supply for Iran's nuclear-power plant does not make it possible to produce fissionable materials that can be used in developing nuclear bomb."

"Russia's cooperation with Iran in the nuclear area poses another opportunity for control over Tehran's research in this field," the Foreign Ministry official stressed.

Participation in North Korea's Nuclear Program Considered

LD0602200095 Moscow ITAR-TASS in English 1854 GMT 6 Feb 95

[By ITAR-TASS correspondent Vladimir Fedoruk]

[FBIS Transcribed Text] Moscow February 6 TASS—Russia is ready to consider the issue of its participation in modernization of North-Korean nuclear programme, provided it enjoys an equal status in the international consortium which is taking shape at present for the purpose, Viktor Mikhailov, Russian minister of nuclear power engineering, told U.S. Ambassador-at-Large Robert Gallucci.

According to Mikhailov, Russia has already made a substantial contribution to the founding and development of North-Korean nuclear power engineering system. North Korea owes some five mln USD to Russia for the work done.

Gallucci is on a tour across Europe and Middle East to discuss re-orienting North Korea's nuclear programme by means of replacing the available generating units with light-water nuclear reactors.

The USA, South Korea and Japan are likely to play the leading roles in the international consortium, which is being created for the purpose.

Nevertheless, Pyongyang repeatedly voiced a wish to import nuclear reactors of Russian make.

Russia Favors Comprehensive Test Ban Treaty

MM0702103995 Moscow ROSSIYSKIYE VESTI in Russian 7 Feb 95 p 3

[Unattributed report under the general heading "At the Russian Federation Foreign Ministry": "Speeding Up the Talks"]

[FBIS Translated Text] The Russian Federation is in favor of signing the Treaty on the Comprehensive Prohibition of Nuclear Weapon Tests within the current year.

A Russian Federation Foreign Ministry representative has made a statement in connection with the U.S. decision to extend the moratorium on nuclear tests. U.S. President Bill Clinton's decision to extend the moratorium on nuclear weapon tests until the enactment of the treaty comprehensively banning such tests has been positively received in Russia, it says.

Russia's stance on this question remains consistent. We were the initiator of the tripartite nuclear test moratorium of unlimited duration and intend to adhere to it

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firmly so long as such a moratorium declared by the other nuclear-weapon states is observed by them de jure or de facto.

Presidents Boris Yeltsin and Bill Clinton have confirmed the commitment of Russia and the United States to the rapid achievement of an international test ban treaty.

In his address to the 49th session of the UN General Assembly President Boris Yeltsin expressed himself in favor of signing the Treaty on the Comprehensive Prohibition of Nuclear Weapon Tests before the end of 1995, when the 50th anniversary of the United Nations would be marked.

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Political Issues

Yeltsin Signs Edict on Russian Code of Laws

LD0602202295 Moscow ITAR-TASS World Service in Russian 1430 GMT 6 Feb 95

[FBIS Translated Text] Moscow, 6 Feb (ITAR-TASS)—Boris Yeltsin today signed a edict "On the preparations to publish a code of laws of the Russian Federation."

According to the president's press service, the edict contains the necessary instructions to various departments to compile and publish a code of laws of the Russian Federation—the official, systematized, and full collection of laws currently in force in the Russian Federation.

Yeltsin Orders Conference on Local Government

LD0702092995 Moscow ITAR-TASS in English 0826 GMT 7 Feb 95

[FBIS Transcribed Text] Moscow February 7 ITAR-TASS—Russian President Boris Yeltsin has ordered the convocation in Moscow on February 17 of an all-Russia conference to discuss implementation of the constitutional provisions concerning local government and the organisation of state power in the component parts of the Russian Federation.

Officials of the two houses of the Russian federal legislature, the Government of the Russian Federation and bodies of state authority in the components parts of the federation, as well as representatives of local governments, public associations and research centres, will take part in the conference.

On President Yeltsin's instructions, Cabinet Chairman Viktor Chernomyrdin will present a report to the conference.

Yeltsin Vetoes Law on Protecting Savings

LD0702095595 Moscow ITAR-TASS World Service in Russian 0916 GMT 7 Feb 95

[FBIS Translated Text] Moscow, 7 Feb (ITAR-TASS)—Russian President Boris Yeltsin vetoed the federal law "On restoring and protecting the savings of citizens of the Russian Federation", according to a press release from the Russian Federation president's press service which reached ITAR-TASS today. The press release goes on to say:

"The president of Russia set out his position on this law in a message to Ivan Rybkin, chairman of the State Duma. The president takes the same stand as the Federal Assembly chambers on the need to restore the value of citizens' pre-1992 savings, recognizing the government's responsibility to citizens who have lost their savings through inflation, the message says. However, the president was obliged to reject the federal law because it goes against the Russian Federation Constitution, section one of the civil code, and other legislation of the Russian Federation.

Having pointed out the legal shortcomings of the rejected law, the president proposed setting up a commission, with the involvement of government and Russian Central Bank representatives to work as quickly as possible to bring it into line with the Russian Federation Constitution and work out a system for restoring the value of and protecting the savings of citizens in order to defend citizens' rights.

Duma Official Comments on Yeltsin Edict on Pensions

LD0602155095 Moscow ITAR-TASS in English 1347 GMT 6 Feb 95

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow February 6 TASS—The Russian president's decree on inflation compensation payments for pensioners is based on real financial calculations, Mikhail Zadornov, head of the Duma's committee on budget, said. Russian President Boris Yeltsin has not agreed with the decision of the State Duma (lower chamber) to increase pensions 1.57 times from February 1 and signed a decree adding a monthly compensation benefit of 39360 roubles to the pensions.

The pension fund proposed the scheme of payments and the committee on budget accepted it, Zadornov told ITAR-TASS.

The Duma voted for increasing pensions 1.5 times but it would require additional 2.5 trillion roubles which the country's pension fund lacks, the financier noted.

Zadornov also said that his committee did not intend to initiate consideration of the president's decree at a meeting of the lower chamber.

Yeltsin Extends Citizenship Deadline for Russians in CIS

LD0602152795 Moscow ITAR-TASS World Service in Russian 1401 GMT 6 Feb 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 6 Feb—Russian President Boris Yeltsin has extended the deadline for granting Russian citizenship to Russians living in former USSR republics, which expired today, until 6 February 2000. Journalists learned this at today's briefing in the press center on Staraya Ploshchad held by Abdullakh Mikitayev, head of the presidential administration directorate on citizenship.

In keeping with the decision, an amendment is to be introduced into the law "On citizenship" to extend

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registration for all Russians who found themselves outside Russia after the breakup of the USSR and who had no time fill in the required documents.

The proposal to extend citizenship was submitted to the State Duma by the Russian presidential administration directorate on citizenship. Deputies supported it.

Rybkin Says Yeltsin's Address Scheduled for 16-17 Feb

LD0602144795 Moscow INTERFAX in English 1417 GMT 6 Feb 95

[FBIS Transcribed Text] Moscow, Feb 6 (INTERFAX)—Russian President Boris Yeltsin is to present his annual message to the Federal Assembly on February 16 or 17, State Duma Speaker Ivan Rybkin told Interfax Monday.

Initially, Yeltsin's address to the Federal Assembly had been scheduled for the middle of January. However, Chechen events necessitated changes in the text of the message.

Presidential Message To Confirm Continuing Reform Process

LD0702121195 Moscow INTERFAX in English 1150 GMT 7 Feb 95

[FBIS Transcribed Text] Moscow, Feb 7 (INTERFAX)—According to unofficial sources, the joint session of the Federation Council and the State Duma that will discuss the annual presidential message is due February 16.

Well-informed sources in Moscow say the message will strongly confirm the unchanging strategy of reforms that should make Russia a law-governed democratic country with a free market economy.

A considerable part of the message is expected to deal with unresolved budget problems and law-making. According to the sources, the president will draw attention to the slowness in the approval of fundamental laws in most pressing spheres of reforms.

The president is expected to sharply criticize the cabinet for the failure to carry out the tasks outlined in last year's message, such as efforts to stabilize the ruble, resolve the problem of debts, conversion and agriculture.

The president intends to critically analyze the military approach to the Chechen problem, in particular the methods of conducting the operation to restore constitutional order. The sources do not rule out the possibility that the president will also pay much attention to the army reform.

He might return to the idea suggested once at the Security Council: to withdraw the General Staff from the Defence Ministry and offer it fundamentally new functions. The ministry can be headed by a civilian politician who would be in charge of all military political and socio-economic matters that determine the progress of army reforms.

Yeltsin's 1996 Reelection Chances Assessed

MK0702113095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 7 Feb 95 p 4

[Report by Nurali Latypov under the "Observer's View" rubric: "Yeltsin's Crossroads"]

[FBIS Translated Text] Since under the 1993 Constitution Russia has a presidential republic, the presidential elections scheduled for 1996 are taking on a paramount political importance in the country's life. There are a number of scenarios of how the election campaign could evolve. Its mid-race finish will be marked by elections for the State Duma in December.

One may assume as an axiom that Zhirinovskiy, Yavlinskiy, Rutskoy, and—fairly likely—Zyuganov are firmly resolved to contest the presidential race. As a matter of fact, the Third Congress of the Communist Party of the Russian Federation undoubtedly reaffirmed Zyuganov's leadership among the left-wing forces, while the "Russian Boundary" forum, which took place in Kaliningrad in fall 1994, showed that he is not going—at least for free, without serious guarantees—to give his backing to Rutskoy or any other patriot whatsoever.

The first and, naturally, foremost analytical dilemma is whether Yeltsin is going to run. This will determine whether or not many democratically minded and centrist political figures will contest the election. If Yeltsin refuses to join in the fray, one can convincingly predict the democrats' loss. The reasons: too many candidates, their inability to reach agreement among themselves, personal ambitions, their campaigns will boil down to an exercise in smearing each other, and so forth.

Let us consider a scenario in which Yeltsin runs for reelection, his possible actions to rally the democratic electorate behind him, and his chances to be reelected in 1996.

Such possible candidates as Chernomyrdin, Luzhkov, Rybkin, to say nothing of Shumeyko and Shakhray, will not be inclined to contest elections in this case. If someone from among the less popular centrists or democrats attempts to step in, neither public opinion, nor serious financiers, nor the regional authoritative elites—nor, most importantly, the democratic electorate—will back him. But there are two options where democratic figures may run as an alternative to Yeltsin. The first option is a Yavlinskiy campaign; the second is participation—alongside Yavlinskiy—of a "Russia's Choice" candidate (as of today it could be Gaydar or Kovalev).

The democratic and centrist electorate, judging from the results of the 1993 elections, accounts for slightly more than 50 percent of the entire vote (which, as a matter of fact, approximately corresponds to the results of the

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1991 election and the 1993 referendum, which proves this figure's consistency). What can Yavlinskiy hope for? Under the first option, on his 8 percent and about one-third "Russia's Choice," Russian Democratic Reform Movement [RDRM], and "Women of Russia" supporters who hew to antistatist views (denouncing the war in Chechnya), which will make a total of about 10 percent. Under the second option, Yavlinskiy will get 10 to 12 percent, just as much as a "Russia's Choice" candidate sharing his antistatist ideology.

The incumbent president may count on the electorate of the Party for Russian Unity and Accord [PRES], the Democratic Party of Russia [DPR], the Agrarian Party of Russia [APR], Civic Union; some of the combined "Russia's Choice," RDRM, and "Women of Russia" electorate, and also a scanty share of the patriots. Under the first scenario this will make 40 to 45 percent of the vote, but only 38 to 43 percent in the second, which is insufficient to win in the first round.

Therefore, Yeltsin has two objectives in this regard: to prevent a separate "Russia's Choice" candidate from running for president, and to weaken Yavlinskiy as much as possible. The first problem can easily be resolved—by bringing direct pressure to bear on "Russia's Choice" leaders, both moral (if not Yeltsin, then Zhirinovskiy) and financial (one should recall how much each deputy cost "Russia's Choice").

The second problem is much more complex because Yavlinskiy's vote effectively cannot be affected by the amount of money spent. At the same time, the eleventh-hour withdrawal of a "Russia's Choice" candidate, possibly, in Yeltsin's favor, is also set to weaken Yavlinskiy, for he himself will be unable to agree with Gaydar owing to his ambitious temper.

High-ranking officials of the presidential administration are fighting Sergey Shakhray and his party structures (which may be justified by political arithmetic, but not by political algebra), thus boosting Yavlinskiy's electorate by diluting that of Shakhray. It would be more reasonable to do quite the opposite, though. For Shakhray and his party are not a match for Yeltsin (at least during this campaign), which they repeatedly demonstrated at the critical hour when they threw their weight behind the presidential strategy, while reserving the right to disagree with him on tactical matters. Meanwhile, Yavlinskiy and Co. is the most formidable rival in the upcoming elections.

If the incumbent president fails to be reelected in the first round (which, in all likelihood, will be the case), it is highly likely that in the second round all anti-Yeltsin forces, including even Zyuganov, will rally around Yavlinskiy. It is fairly evident that Boris Nikolayevich needs to exploit the PRES in order to cut Yavlinskiy off from his electorate, that is, the provincial intelligentsia (doctors, teachers, engineers) and also autonomous entities.

Therefore, Yeltsin's support base in the upcoming elections may realistically include the PRES, the APR (in the countryside), and some local DPR chapters, if they can be split from Skokov and Glazyev, which is a realistic possibility.

A few comments on other contenders.

Zyuganov will get his 12 percent of the vote, and this will be good for Yeltsin because it will weaken the patriots and Zhirinovites. But, as I have just pointed out, the Yavlinskiy- Zyuganov bloc, which is not so improbable as it might seem, would be dangerous.

Boris Nikolayevich would benefit from Rutskoy's running against Zhirinovskiy, but in this regard he should decide whom he would like to see as his rival in the second round (if it takes place at all): Yavlinskiy, to whose 18 to 20 percent a considerable share of the 30 to 35 percent garnered by Zhirinovskiy, Rutskoy, and Zyuganov will be added, or someone of this troika who will draw on the votes won by the other two plus a minor part of Yavlinskiy's electorate (Yeltsin's consistent enemies).

On the whole, I am convinced that Boris Yeltsin has very good chances of winning the elections. My calculations will "work," however, only under one condition—if the president manages to finish in a qualified manner the amateurishly launched Chechen operation.

Rutskoy, Others Expelled From Social Democratic Party

LD0602150195 Moscow INTERFAX in English 1344 GMT 6 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 6 (Interfax)—The board of Russia's Social Democratic People's Party has decided, by a considerable majority, to expel Russia's former vice-president Aleksandr Rutskoy and a group of his followers (a total of 10 persons).

Its communique, released in Moscow Monday, says that on Saturday the group organized a meeting which it groundlessly called a "session of the party's Federal Council". Attended by less than a third of the party's territorial organizations, the meeting decided, in contravention of party rules, to give up membership in the Social Democratic Union and focus efforts solely on promoting the Great Power patriotic movement. Participants in the meeting also attempted to reshuffle the party's leadership and establish control over it.

In its resolution adopted Monday the party's board reaffirmed that the party's policy aimed at consolidating the country's social democratic forces is unchanged.

The party's Federal Council scheduled its next session for March.

Most Miners Support Scheduled Warning Strike

LD0602131495 Moscow ITAR-TASS in English 1243 GMT 6 Feb 95

[By ITAR-TASS correspondent Igor Ivantsov]

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[FBIS Transcribed Text] Moscow February 6 TASS—"About 70 per cent of the Russian coal mines have confirmed their support for a nationwide one-day warning strike scheduled for February 8," Vitaliy Budko, the chairman of the independent trade union of the coal industry workers, told ITAR-TASS today.

According to Vitaliy Budko, this decision was to a large extent influenced by the outcome of a meeting held with Russian First Deputy Prime Minister Anatoliy Chubays on Saturday. During the meeeting a special commission, comprising representatives of a number of ministries, had suggested financing the industry to the tune of 2.5 trillion roubles to clear wage arrears to the miners for the last year' first quarter. This money, besides allocations from the budget, included a sum of 800 billion roubles as arrears to be paid to the miners for the last year. However, in Vitaliy Budko's opinion, the proposed amount, which to an assessment of the Ministry of Economics, is regarded as quite justified, was cut down by 50 per cent without detailed discussions referring to lack of funds in the budget.

Such an approach, according to the trade union leader, testifies to the authoritis' unwillingness to resolve problems of the miners. If the situation does not change after holding a warning strike, an unlimited strike of the mienrs will begin in March, Vitaliy Budko noted.

More on Kulikov News Conference on Chechen Situation

MM0602145695 Moscow KRASNAYA ZVEZDA in Russian 4 Feb 95 p 1

[Report by Boris Soldatenko: "Colonel General Anatoliy Kulikov: Not Just Bandit Formations Opposing Us"]

[FBIS Translated Text] By a decision of the Russian Federation Security Council Colonel General Anatoliy Kulikov, Russian deputy internal affairs minister and commander of Russian Federation MVD [Ministry of Internal Affairs] Internal Troops, is to head the joint command of the federal force grouping on Chechen Republic territory.

From KRASNAYA ZVEZDA Files

Anatoliy Sergeyevich Kulikov was born 4 September 1946 in the settlement of Aygurskiy in Apanasenkovskiy Rayon, Stavropol Kray. In 1966 he graduated with distinction from the USSR MVD Internal Troops' Ordzhonikidze Higher Military Command School, in 1974 from the M.V. Frunze Military Academy, and in 1990 from the USSR Armed Forces General Staff Military Academy.

He has held all the command posts in Internal Troops from platoon commander to commander of Russian Federation MVD Internal Troops. He is a colonel and general.

He is married with three children.

At a news conference held by Col. Gen. Kulikov in the Russian Federation MVD, it was said that handing over command to the commander in chief of Internal Troops by no means signifies that Russian Defense Ministry subunits and units are going to leave Chechen territory immediately. Anatoliy Sergeyevich is sure that Defense Ministry units and subunits will continue to render assistance for as long as necessary. Where they are stationed depends on the operational and sociopolitical situation in the region. In Gen. Kulikov's opinion it is necessary to have at least one operational brigade on Chechen territory.

In Col. Gen. Kulikov's opinion a unique situation in legal terms is currently developing in Chechnya. Under the Law "On Defense" the Army is bound to defend the country from a foreign aggressor, while Internal Troops are bound, under the law on Internal Troops, to assist the Internal Affairs organs in ensuring public order and security during a state of emergency. But the situation that has developed on Chechen Republic territory cannot be classified under a single article of law. Not just bandit formations but full-blooded armed forces have been formed in the region. Who armed them, when they were armed, and who gave them the right to exist still has to be investigated.

Following federal troops' capture of Dzhokhar Dudayev's personal archive 25 January, Col. Gen. Kulikov possesses documents which make it clear that as of 1 January 1994 the Chechen Army has been referred to as one of the most important of the "armed formations of the North Caucasus region." Everybody's name is listed here: the chief of General Staff, the president's representative in the General Staff, the commander of the National Guard, the commander of the Air Force, etc. Data on every branch are given. Composition, numerical strength....

The criminals' arsenal contained 42 T-72 tanks, 38 infantry fighting vehicles, 26 armored personnel carriers, 14 armored reconnaissance vehicles, tactical missile systems—"Luna-8," "Luna 8-M," self-propelled 152-mm howitzers, around 150 artillery-mortar systems—including the 122-mm system, and a large quantity of antitank weapons. According to Russian Federation MVD operational data, when the conflict began the so-called Chechen Armed Forces' numerical strength totaled up to 15,000 members of a regular, well-trained and well-prepared Army plus in the region of 30,000-40,000 members of an armed volunteer militia, which had also prepared for war for a full three years. In addition, Russian Federation MVD personnel have captured documents of a mobilization plan, under which Dudayev could have put 300,000 people under arms by declaring a mobilization.

So, after all this could it be said that the operation in Chechnya is purely a policing operation and that the Russian Federation Armed Forces should not have been sent there? Of course not. Each ministry fulfilled its own

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missions in the combat operations area. Now that the first stage of the operation can be considered to have been completed, the floor is given to Russian Federation MVD personnel. Since the beginning of February they have switched to patrolling Groznyy's residential areas and other inhabited areas, and the patrolling is being carried out in conjunction with operational search measures. The law-enforcement organs have a data base of many thousands of criminals' and bandits' addresses. Servicemen, with OMON [special-purpose militia detachments] and members of special rapid reaction detachments, are engaged in the finding and detention of criminals. They have already had some results.

When accepting command of the federal forces at the Russian Federation MVD news conference, Col. Gen. Kulikov expressed gratitude to Russian Defense Ministry soldiers, officers, and generals for what they had done. The Russian Federation Armed Forces have destroyed and crushed the main criminal force.

Chechnya Issue May Degenerate Into National Conflict

LD0602150095 Moscow INTERFAX in English 1417 GMT 6 Feb 95

[FBIS Transcribed Text] Moscow, Feb 6 (INTERFAX)—Further violence in Chechnya can lead Russia to the verge of political and economic catastrophe, two presidential experts Emil Payin and Arkadiy Popov say.

In a survey on Russia's Chechnya policy in 1991-95 made available to Interfax, they said Moscow's military operation in Chechnya caused a further rift in the Russian society and that "there are indications it may degenerate into a national political conflict".

The survey speaks of two Chechen conflicts—one in the Northern Caucasus and the other in Moscow. The two experts believe that negotiation is the only way of breaking the deadlock. For this to happen, a social contract must be initiated on the ground with all political forces indicating a common stand on how to resolve the Chechen crisis and take actions by the power structures under civilian control.

The survey suggests reverting to the old plan of competition between the two systems with three northern regions of Chechnya falling under federal control.

The two-point plan provides for an immediate ceasefire with troops entrenched in their present positions followed by talks between representatives of the Chechen opposition and Dudayev or any other officials they choose to agree on the timing of new elections and power distribution until then. Representatives of the Organization for Security and Cooperation in Europe, Chechen diaspora and Russian human rights groups can act as mediators, the experts say.

They say the center is expected to ensure the observance of a ceasefire and safety for opposition members. A ceasefire can be negotiated by the military command on both sides. It will make no sense for Moscow to open talks with Chechen leaders unless Groznyy and the opposition reach agreement on the principles of government management over an interim period before general elections, says the survey.

Any negotiation must be centered on the demilitarization, possibly gradual, of Chechnya as well as the two sides' cooperation in restoring key transport and social infrastructures.

Abdulatipov: 'Danger of Other Forces Joining In' Conflict

BR0602154095 Lisbon EXPRESSO in Portuguese 4 Feb 95 p 20

[Interview with Ramazan Abdulatipov, Russian Federation Council deputy chairman, by Luisa Meireles in Strasbourg; date not given: "Example of Chechnya"]

[FBIS Translated Text] Strasbourg—Russian Federation Council Deputy Chairman Ramazan Abdulatipov is perhaps the man who knows most about Chechnya. He is a Caucasian (born in Dagestan), and it was he who as speaker of the house of nationalities of the former Russian Supreme Soviet conducted all the negotiations with Dudayev's regime over the past three years. In Strasbourg, he headed the Russian delegation to the Council of Europe. He is resolutely opposed to the military intervention, and now fears the spread of the war to the entire Caucasus.

[Meireles] How did the problem of Chechnya arise?

[Abdulatipov] There are historical reasons which, in the first place, have to do with the colonial war waged by Russia in the last century, and then by the fact that the entire Chechen people were deemed to be "collaborationists" with the Germans in 1944, and deported to other regions of the Soviet Union. Until 1957, they had the status of "special deportees." This stereotype of distrust persisted. Only in 1984 was the first Chechen appointed to the leadership of his republic, but the involvement of the so-called "Chechen mafia," who took advantage of the conditions of the breakup of the USSR was important for the declaration of independence in 1991.

[Meireles] Why has the Russian Government reacted only now?

[Abdulatipov] A criminal group seized power by force and expelled the established parliament; in fact they were Communists, and that was the greatest argument. Then Dudayev organized elections in two weeks without consulting anybody, and not even the entire population of the republic voted, as was the case with the minorities. The Russian leadership tried in vain to enter into contact with Dudayev in order to resolve this political problem.

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[Meireles] Does responsibility for the conflict lie with Dudayev?

[Abdulatipov] I believe that the blame lays not with him but with factors which accompanied the breakup of the Soviet state. There were many negotiations and several solutions were proposed to Dudayev, but he was always opposed. He never accepted anything but independence.

[Meireles] Was the current intervention avoidable?

[Abdulatipov] If the president and the government had helped parliament's efforts during these three years, the outcome could have been different, but they paid no attention, because that did not worry them; there were other problems to be resolved in Russia. Finally, Yeltsin took the wrong decision. It was an instance of flagrant unprofessionalism and ignorance of the real situation. In the first week in December, the intervention could have been avoided, but no longer in January.

[Meireles] How do you justify the decision?

[Abdulatipov] Nobody justifies it. Parliament has already said that it is in favor of taking steps to restore constitutional order, but only by peaceful means.

[Meireles] Do you see any chance of a peaceful solution?

[Adbulatipov] Not every war ends in peace. Dudayev's regime was set up by the federal power structures, and thanks to them it is now in charge of Chechnya.

[Meireles] Could the conflict spread to the entire Caucasus?

[Abdulatipov] The peoples of the Caucasus did not support Dudayev's regime from the start, and sent several requests to Moscow aimed at its removal, but the intervention, instead of stopping the conflict, has internationalized it, and there is a danger of other forces joining in it. From being odious, Dudayev has become a hero. There are groups in other republics which support him. Some 100,000 Chechens are in neighboring Dagestan, and a section of the population supports them, but, frankly, most people are now weary.

[Meireles] How long could the war last?

[Abdulatipov] In my land they say: "A shot is fired in the Caucasus, but the echo lasts for 100 years."

[Meireles] What is your personal opinion of Dudayev?

[Abdulatipov] He is not bad. He has a wife and children like everybody. He was the first Chechen general in the Soviet Army, which was not easy. He served in Estonia, and perhaps it was there that he imbibed the ideas of independence, but he suffered from "generals' syndrome" when he took possession of the weapons left by Russia, but it is sometimes dangerous for small people to become generals, because they have a tendency to turn the people into a military division.

Gorbachev Blames 'Weak Regime' for Situation

MM0602145195 Moscow SOVETSKAYA ROSSIYA in Russian 4 Feb 95 p 2

[Interview with Mikhail Gorbachev by MOSKOVSKIYE NOVOSTI Chief Editor Viktor Loshak and LA STAMPA correspondent Giulietto Chiesa, moderated by Savik Shuster; place and date not given: "Now General Secretary Gorbachev Seeks the Guilty Persons: We Now Have a Free-for-All"—first paragraph is introduction]

[FBIS Translated Text] "Face to face. A leader replies to journalists." Questions were put to Mikhail Gorbachev by Viktor Loshak, chief editor of the weekly MOSKOVSKIYE NOVOSTI, and Giulietto Chiesa, Moscow correspondent of the Italian newspaper LA STAMPA. The moderator was Savik Shuster.

[Loshak] Mikhail Sergeyevich, it is a paradox of our public consciousness that in Russia the words "democracy," "liberalism," and "democrat" have been turned from words with a positive connotation into words with a negative connotation. Will the political split not affect the way society regards what you started?

[Gorbachev] What is happening is precisely a denial of the main aspects of perestroyka. We favored an evolutionary path. But what has the present policy offered us? A cavalry charge and cowboy methods. This is violence against people, against society, and against the economy.

The present policy is quite a different policy, which has brought us to the present state. What has happened in connection with Chechnya has fully demonstrated to us what kind of a regime we are dealing with. This power is undemocratic.

[Chiesa] President Clinton recently said, evidently with a sense of satisfaction, that Boris Yeltsin is in power. I wanted to learn your viewpoint: Is Boris Yeltsin in power, or does the "good czar" have bad advisers in his entourage?

[Gorbachev] I can say nothing good about the president. I have totally lost confidence in him. Nothing has changed, nothing. Yeltsin will probably never change. In the morning he says one thing, and in the evening something different. He declares something, and then his aides interpret it and spend a whole week explaining to us that he did not, so it turns out, mean what he said but quite the opposite.

Therefore I cannot believe that this power can get us out of the crisis. A weak, weak president. It is a weak power. They cannot generate a policy that would ensure a way out of the crisis, and they are incapable of generating a policy that would ensure the untying of difficult knots, however many there are in the Russian area, and there are very many. Therefore this power requires us to take its place. But I am not in favor of things going to some coups or some unconstitutional forms, but in favor of all

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this happening in a constitutional field, in a constitutional channel. This is why free elections are needed.

[Shuster] Which forces are struggling in the Kremlin now?

[Gorbachev] It is not all that simple, and it cannot all be reduced to the security service. I believe that some specific situation has taken shape with our president. He has an entourage which is very close to him, and it evidently renders him great services and assistance in his specific situation. It takes advantage of this and advances certain ideas and also looks into the future. His immediate entourage does not regard Chernomyrdin with much favor and would like to support Soskovets more. There is undoubtedly a struggle for influence over the president.

[Loshak] To what extent are particular decisions influenced by the current redistribution of property, privatization, etc. in the country?

[Gorbachev] As a result of cowboy methods and the use of "shock therapy" in the economy, they have thrust back at least half the population at once to the poverty line, and part of it below the poverty line. Therefore they are afraid of losing power, for they will have to answer for everything.

On the other hand, we have approached the second stage of privatization, when the most important questions will be resolved with regard to ownership. They need to hold on to this power. I can see our premier fighting for ownership and to hold on to power and that he has become the biggest "marketeer," because he too is tied and represents very serious capitalist circles.

Polevanov said that we must return to an examination of those privatization cases in which mafia capital clearly operated and in which the interests of all of society were violated. So they will do everything to hold on to power.

[Chiesa] With regard to Chechnya, has the West's reaction been appropriate or not?

[Gorbachev] Inappropriate. Because they took a formal path and hid behind the fact that Chechnya is a part of Russia and not a subject in international law, that it has been recognized by no one, and that this is Russia's internal affair. Only after it has resulted in such bloodshed and in the deaths of soldiers and civilians, when it is a question of tens of thousands of people killed and tens or hundreds of thousands of people injured, when the entire republic has been destroyed, only now, under pressure from public opinion, have we heard the voice of Western politicians. Even then, let us state frankly.... After all, what is the opinion of Western politicians to us? Here we must answer for everything.

The Russian authorities have humiliated our Army and put the military—both privates and generals—in a very difficult situation: It was not clear to them what they were to fight for.

[Shuster] You have said that Russia is living through the most critical time for 10 years. Are these the growing pains of the new Russia, as certain patriotic journalists say, the disintegration of the Russian Federation, or simply the death throes of the power?

[Gorbachev] They are the death throes of the present regime. Naturally, these death throes and this crisis can give birth to new forms and a new policy. But all this must happen within the framework of the constitutional field and in a legitimate channel, so that we do not give extremists any excuse to exploit the situation.

[Shuster] Whom do you regard as extremists?

[Gorbachev] They could appear. For all that, there is a public of a fundamentalist kind, which is in favor of revenge—to put everything back the way it was. As for the others, there is an ambitious public which is straining for power and which is indifferent to what kind of society and power they will be—it will fathom it out later, once it has gotten into power. Therefore forces which will destroy still more could emerge onto the scene.

I believe that a military dictatorship is ruled out in our country. This does not mean that the Army cannot emerge, for it can play its part and can emerge onto the front of the political stage.

The strongest and most effective power is one that relies on the law, while any dictatorship is a weak power which cannot determine its position, manage society, or ensure its prospects. It might play some role at some time, but it is not a power to carry out reforms and transformations. Therefore we need a strong power. I am for a strong power, and we need a dictatorship, but a dictatorship of the law, we need independent courts, and we need a strong parliament. But we now have a free-for-all.

Poll Shows Yeltsin Should Resign Over Chechnya

MK0702093095 Moscow SEGODNYA in Russian 7 Feb 95 p 2

[Unattributed report: "The Chechen Crisis and Elections-96: The Majority of Russians Believe That the Events in Chechnya Are Sufficient Cause for Boris Yeltsin's Resignation"]

[FBIS Translated Text] In January 1995 the Public Opinion foundation polled 1,353 respondents in urban and rural areas.

"Which of the following do you think more corresponds to Russia's interests today?" [all answers are in percentages]

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More decisive use of force to abolish Dzhokhar Dudayev rule	31
Immediate cessation of military actions by Russian army in Chechnya	46
Not sure	16
Other	7

"Do you think that the events in Chechnya are sufficient cause for the resignation of President Boris Yeltsin?"

Yes	38
Rather yes	20
Rather no	14
No	12
Not sure	16

The farther from the capitals, the more often Russians—especially urban residents—said categorically "yes" to this question. In Moscow and St. Petersburg such answers constituted 25 percent, in oblast centers 39 percent, and in small towns 43 percent. In the countryside, 34 percent. Among Moscow, St. Petersburg, and rural residents the proportion of people who do not think that the events in Chechnya are sufficient cause for the president's resignation is somewhat higher than among the rest of Russians (32 percent and 34 percent respectively). In oblast centers they constitute 25 percent, and in small towns 20 percent.

"Will you take the candidates' attitude to the war in Chechnya into account in voting in future elections?"

No	25
Yes, I will vote for advocates of military actions in Chechnya	8
Yes, I will vote for opponents to military actions in Chechnya	42
Not sure	25

Among those who have a positive attitude to the introduction of Russian troops on Chechnya territory (16 percent) more than two- thirds (37 percent) will not take the candidates' position into account. Nearly the same proportion (35 percent) said they will vote for supporters of military actions in Chechnya. Among those who have a negative attitude to the introduction of Russian troops to Chechnya (71 percent) more than half (54 percent) are inclined to vote only for those opposed to military actions.

"If elections for the post of Russian president were held today, would you vote for Viktor Chernomyrdin?"

Yes	12
No	63
Not sure	25

Military & Nuclear Issues

Grachev's Inclusion in CIS Summit Said To Refute Rumors

LD0602[illegible]3395 Moscow INTERFAX in English 1945 GMT 6 Feb 95

[FBIS Transcribed Text] Moscow, Feb 6 (INTERFAX)—Interfax has learned that Russia's official delegation to the CIS Heads-of-State Council in Almaty on February 10 will include Russian President Boris Yeltsin, Prime Minister Viktor Chernomyrdin, Defense Minister Pavel Grachev and Federal Border Service Director Andrey Nikolayev.

According to a high-ranking military source, speaking on condition of anonymity, Grachev's inclusion in the delegation "completely goes against the rumors of Grachev's imminent removal, intentionally spread in Moscow."

According to the officer, Grachev's trip to Almaty was necessitated by the fact that he is to chair a CIS defense ministers' meeting. At the same time, it is an indicator of "normal relations between the president and defense minister."

Shaposhnikov Denies Duma Deputies' Charges

MM0702113595 Moscow ROSSIYSKAYA GAZETA in Russian 7 Feb 95 First Edition p 2

[Unattributed report: "Good Intentions?"]

[FBIS Translated Text] Marshal of Aviation Yevgeniy Shaposhnikov suggests that he has been unjustly accused.

An open letter from Marshal of Aviation Ye.I. Shaposhnikov to the Russian Federation Defense Ministry and certain Russian State Duma deputies in connection with their statements and comments has arrived at the editorial office.

The marshal mentions the statement by the Russian Federation Defense Ministry published in KRASNAYA ZVEZDA 18 January this year which says:

"The document on the partition of military hardware to which Marshal of Aviation Ye. Shaposhnikov refers is an enforced measure and it is the consequence of inaction on the part first of the Union Government and then the Russian Government and on the part of the former USSR defense minister, subsequently commander in chief of the CIS Joint Armed Forces personally."

However, Shaposhnikov writes, in the period in question P. Grachev was not only first deputy minister of defense of the USSR and subsequently first deputy commander in chief of the CIS Joint Armed Forces, but, more importantly, since October 1991 he has occupied the post of chairman of the Russian Federation State Committee for Defense—that is, he has held the rank of

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member of the Russian Government in line with the Russian Federation President's Edict No. 164 of 29 November 1991.

Which is why, in Shaposhnikov's words, it was P. Grachev who conducted talks with the Chechen side on a whole range of issues both in December 1991 and in February 1992.

"Obviously, by 'forgetting' about P. Grachev's connection to the Russian Government of that era, the Russian Defense Ministry in its statement is doing its minister no favors, although its intentions may be good," the marshal believes.

Today, Shaposhnikov writes, there are still people, including in the Russian Government, who can attest to the fact that the marshal was the only military chief who tendered his resignation in response to the 30 December 1991 decision by the Council of Heads of CIS States to partition (instead of reform) the former Union's Armed Forces

Security Council To Ask Yeltsin To Repeal Toxic Waste Edict

LD0602165795 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 6 Feb 95

[FBIS Translated Text] Our radio station has learned that on 8 February Oleg Lobov, secretary of the Russian Security Council, is going to send a letter to President Boris Yeltsin, asking him to repeal an edict allowing radioactive waste to be brought into Russia. You may recall that on 25 January Boris Yeltsin signed an edict on state subsidies for the nuclear industry in Krasnoyarsk Kray, which contradicts a law of the Russian Federation on the protection of the environment.

Federal Assembly

State Duma Presses for Account on Chechnya Spending

LD0702151295 Moscow ITAR-TASS in English 1444 GMT 7 Feb 95

[FBIS Transcribed Text] Moscow February 7 BUSINESS-TASS—The Russian State Duma insists on hearing, on March 1, the government's account on expenditure on the military operation in Chechnya, says a statement of Mikhail Zadornov, the chairman of the State Duma budget, taxes, banks and finance committee, circulated here today.

Zadornov's statement comes in the wake of the proposal of President Boris Yeltsin to exclude Article 12 from a law on "Federal budget appropriations for public spending in the first quarter of 1995" which carries the presidential signature. The article projects the account of the government in March.

"In my view, the president and especially the government must be interested in compliance with this article. Presenting complete and veritable information could help defuse the unhealthy agitation over this issue and stop the flow of speculations," the statement of Zadornov says. On the contrary, attempts to wreck the normal process of budget accounts only encourage embezzlement of public money in the country and harm the executive itself, the statement continues.

On signing the financing law, Yeltsin sent it to the State Duma with a letter which proposed to drop Article 12 as contradicting the Russian Constitution. However, Zadornov says, the Constitution does not read that the legislature may not demand an account of the government on budget execution in a certain period. Moreover, the practice of the Duma's asking and receiving the government's spending account for a specific period was already in place last year, Zadornov says.

"If the president signed the law and simultaneously moved a legislative initiative by sending to the Duma a draft law on exclusion of Article 12, we would certainly discuss the draft. However, the letter we received from the president is not such a draft law," the committee chairman said.

Shakhray Addresses Duma on Settling Regional Disputes

LD0602163795 Moscow INTERFAX in English 1344 GMT 6 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 6 (Interfax)—The federal government's relations with Tatarstan and the military phase in the conflict with Chechnya reflect two different approaches to regional policies, said Russia's Deputy Prime Minister Sergey Shakhray.

He told the State Duma Monday that the technique of the talks with Tatarstan, which had lasted three years, the procedure of settling disputable issues and the drafting of the power-sharing agreement between the Russian Federation and Tatarstan, signed a year ago, might serve as an example of how regional problems should be tackled.

Speaking about a possible merger between some of Russia's constituent members, Shakhray expressed the opinion that "under certain conditions, the 89 constituent members may turn Russia into a state split into 89 feudal principalities." However, no solutions can be imposed on anyone "from above", he said.

Regarding this, he proposed that "instead of spawning federal bodies in each of Russia's constituent entities, one such body for several constituent entities should be set up."

Committee Advises Against Extending Ingush Emergency Law

MK0702090095 Moscow SEGODNYA in Russian 7 Feb 95 p 1

[Unattributed report: "It Has Been Recommended Not To Extend the State of Emergency in Ingushetia"]

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[FBIS Translated Text] Yesterday the Federation Council Security and Defense Committee considered the presidential edict on introducing a state of emergency in the zone of the Ossetian-Ingush conflict and recommended that it be extended only on part of North Ossetian territory. The deputies deemed the extension of the emergency rule on the territory of Ingushetia inexpedient. Today the Federation Council will discuss the edict at its plenary session.

Regional Affairs

Chechnya 'Restoration and Development' Decree Pondered

MM0302133195 Moscow IZVESTIYA in Russian 3 Feb 95 p 2

[Report by Valeriy Konovalov: "No Sooner Do You Start Development Work Than It Is Necessary To Begin Restoration. Very Hard for the Interdepartmental Group on Chechnya To Plan Its Work"]

[FBIS Translated Text] Over 60 ministries, departments, and various state organizations are today puzzled over the Russian Government decree "On Urgent Measures To Restore and Develop the Economy and Social Sphere in the Chechen Republic," adopted 9 December last year.

A government interdepartmental group is working to coordinate their efforts in the Ministry of Nationalities Affairs and Regional Policy. As one of the coordinators put it, representatives of the "constructive ministries"—in other words presumably excluding the power departments—gather here. However, the latter are also taking an active part in this work, creating a work front for their colleagues and constantly diversifying their tasks.

Needless to say, it is no easy matter in these conditions not only to effect "restoration and development" but even to plan the sequence of these actions in a fairly intelligent manner. For instance, both development and restoration are inapplicable to Groznyy: It is still being destroyed at the moment.

And they could quite well have started developing the village of Samashki a few days ago, but now the only option is to restore it. Quite recently it was the object of attention of departments like, for instance, the Pension Fund or the Migration Service, but now the Ministry of Health and construction industry workers would be more appropriate. Instead of somehow improving the lives of the people here, they have to be pulled out of the ruins, given medical treatment, buried, and obstructions have to be cleared. It would be premature now to begin developing Gudermes, which also featured in the "constructive workers'" immediate plans, since the situation is heading for the point where this city too will be destroyed for subsequent restoration.

It is very hard for the interdepartmental group to take account of all these points. The Ministry of Nationalities Affairs and Regional Policy for instance has formulated within the framework of the joint work a draft program geared to averting conflicts like that in Chechnya. But can this kind of document prevent anything? Did anyone consult the department responsible for nationalities affairs about the means used in Chechnya to resolve the problems?

"No one," First Deputy Minister Vyacheslav Mikhaylov confirmed.

Needless to say, the "constructive workers" are statesmen and are therefore trying to lend their actions the impression of being more sensible and advisable than is possible. Officials are persistently saying how bad things were in Chechnya in the spheres under their jurisdiction even before the hostilities began, and are talking about the kind of order they will finally restore here. But the facts are also persistent. Sergey Kiselev, deputy minister for the social protection of the population, said for instance that over the last few years organs of social protection have virtually not been operating in Chechnya but he immediately acknowledged that two out of four old people's homes that used to exist have recently been destroyed as a result of the military operations.

The Health Ministry's prospects are clearer. It can boldly plan a large-scale delivery of medicines and various medical preparations to the region. There are certainly enough customers. Particularly high demand is envisaged for prostheses.

The State Committee for Sanitary and Epidemiological Supervision also has quite definite prospects. Outbreaks of epidemics cannot be avoided in the region as soon the temperature rises slightly. The threat of cholera is particularly tangible. And no matter how much money and effort you expend here, if the hostilities continue, it will be extremely hard to avert this kind of disaster.

Today the situation for railroad personnel is like this. The Ishcherskaya-Chervlennaya-Uzlovaya section of the track has been cleared of mines and reconstructed. The Prokhladnaya-Chervlennaya-Uzlovaya local train runs every day. Today the section from Chervlennaya-Uzlovaya to Kizlyar is ready for commissioning and the bridge over the Prorva River has been restored. Thus, a second route into Chechnya down the Astrakhan line is opening up. But these efforts, which cost almost 100 billion rubles [R], may fall into oblivion since the hostilities are still under way, bridges are being blown up, contact circuits and lights are being disabled, and so on.

It is also extremely hard to plan a solution to the refugees' problems. Considerable funds for their reception and support have been transferred to the distant regions of Russia envisaged for this purpose. However it has become clear that most Chechen refugees prefer to stay in nearby areas. Most of them are in Ingushetia—around 70,000, who have officially registered. To date a total of 176,610 refugees have been registered, but in reality there are far more.

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Needless to say, in this situation stipulating any amount of money needed to implement the government's decree is a fairly hypothetical process. Right now the interdepartmental group coordinators are citing a figure of R3 trillion.

Security Stepped Up in Nuclear City of Obninsk

MM0602140995 Moscow RABOCHAYA TRIBUNA in Russian 4 Feb 95 p 2

[Report by Vladimir Mezentsev: "Slanting Rain Over Obninsk"]

[FBIS Translated Text] Dudayev's threats to shift terror from Chechnya to Russia seem to have made officials think seriously about security. But the guarding of vitally important establishments, including strategically and ecologically vulnerable ones, leaves room for improvement.

I visited Obninsk not long before the start of the Chechen war.... And before that a major scandal had erupted in the FRG over the theft of radioactive materials and their resale to the West. For understandable reasons Obninsk was regarded as one site where such a state crime could have occurred.

...Thunderclouds were gathering over Moscow. But thunder roared only on the approaches to Obninsk, when my frivolous "four-man team," laden with television apparatus, crossed the border into Kaluga Oblast.

Floods of water plummeting from the sky seemed to confirm the idea that there could be tropical downpours in our lonely latitudes. The city of the world's first nuclear electric power station was being mercilessly submerged and was being lashed by slanting lines [of rain]. Perhaps for that reason I saw it not as our intellectual world's abode for elite scientists with its striking discoveries and dissident views even in its youth but as an unimportant provincial town of which there are thousands in Russia!

The birth of Obninsk is connected with the creation in 1945 of the secret "C" Laboratory—the future energy physics institute. To this day old-timers remember Lavrentiy Pavlovich [Beriya] approximately as I remember my immediate superiors—the chairman of the State Television and Radio Broadcasting Company. And also, of course, without sympathy.

Nevertheless in those days living here was considered no less of a privilege than living in Moscow. The closed registration ensured benefits for all the inhabitants. They received vouchers for apartments without difficulty.

At that time no one spared money for the country's military might and its technical and scientific potential. In the middle of the Kaluga forests as though by magic there appeared scientific centers with no analogies in the world—the "Tekhnologiya" science and production enterprise, the "Tayfun" science and production association, the Academy of Medical Sciences medical radiological scientific center, a branch of the scientific research institute named for L.Ya. Karpov....

Scientists came here from all over the country. To this day the statistics are as follows: There are 300 doctors and 1,200 candidates of sciences for 107,000 Obninsk inhabitants not to mention the academicians heading the scientific research institutes. A golden fund of intellectual Russia!

With every passing day financing for the flagships of nuclear power engineering is being depleted.

Debts to scientific organizations and as a result the institutes' insolvency have led them to the verge of closure. The scientific research institutes ensured, with great difficulty, wages of 20,000-70,000 rubles [R] this year. And the day is not far off when there will be a definitive reincarnation of physicists as lyric poets and of the latter's reincarnation as ordinary shuttle traders dragging packages of Turkish consumer goods round the railroad stations.

Officially 4,000 people have left to take up trade—in little booths and kebab stalls. And how many more at their own risk, bypassing the tax inspectorate, are trading without licenses and authorization?

Ah, Russia is so generous! We give our last gold to Columbus' rabble. For broken glass beads. Or am I wrong? Perhaps "the foreign countries will help us?" But in Obninsk they are convinced of the opposite—the West will finance conversion. But to only one end—finally stifling its Russian competitor.

The mayor of Obninsk, 43-year-old Mikhail Shubin, is convinced that local self-management should be built on the basis of economic independence. So he is fighting for the creation of a free economic zone here. Investors are being enticed, science-intensive production facilities are being expanded, and the entrepreneurial sector is being consolidated. Obninsk's private "Invesko-bank" has opened and is operating successfully. Just recently over 20 firms have not only survived but have firmly found their feet. And they are not engaging in small-scale trade but in production!

The local "Ventall" joint-stock company, which specializes in the production of metal structures, has grown richer and stronger. Its own chamber of trade and industry is also operating here. (There are just three of them in the country. In Moscow and Sochi....)

The capital's banks are rushing to Obninsk. They are attracted here by the relative order and low crime level: You cannot compare it with the anarchy of the Moscow way of settling scores. But the city fathers, concerned to support local business, are in no hurry to open their arms. Ah, if only it were like that with the central authorities: giving help not to a foreigner but to their own commodity producer.

Mayor Shubin was the first man with whom I became acquainted in the nuclear power workers' town.

How has he managed to "buy" voters?

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This Shubin was convinced and persuaded others that a leader should engage in his immediate job—being concerned for the city and its inhabitants and for civil consensus in it.

At the election meetings he did not have his head in the clouds but spoke of sewage systems, heating, and the repair of housing. The first months of work have shown that his election promises have not been at odds with his persistent and steady daily work.

Despite its youth Obninsk is a very Russian city. Because of its special secrecy and the fifth column which used to "rage," only Russians were allowed to work here. Lavrentiy Pavlovich—the ruler of state security and nuclear power—was harsh. But under him scientists did not roast kebabs and no one stole plutonium. Even in the prisons and prison scientific groups physicists worked not with sledge-hammers but with their brains. And now I do not know what is worse—uncomplaining socialism, which nonetheless created a superpower, or the failure of Yeltsin's democracy to keep its word, its evil intent or the selfishness of thinkers who have turned Russia into a country of stallholders and new recruits who cannot control Chechnya.

Dudayev's latest declarations and the statements in America by his foreign minister, the threats to shift military operations to Russia's territory are not as unfounded as the Kremlin believes. **The mayor said in a conversation with me that the Obninsk security service workers misinformed Sergey Stepashin. And he in turn consequently misinformed the president and the world public, stating categorically that thefts of radioactive substances are impossible here!**

But in Shubin's opinion the situation at the nuclear electric power station [AES] and at other establishments presenting a heightened threat is taking shape extremely badly. The security alarm equipment became obsolete long ago. The fire fighting team, the first to do battle against accidents, is understaffed. The guard of servicemen is being cut back at these establishments. They are being replaced by ordinary armed guards—grandmothers with rifles who can surely frighten only their own grandchildren.

It was Shubin again who acquainted me with documents which stated in particular that in 1993 there were 13 cases of thefts registered and in 1994 there were nine for the period January through June alone! Here the damage caused by just one incident exceeded 10 million rubles. Of course, it was not radioactive substances that they stole. But who can guarantee that the next time such substances will not disappear as well.... After all, demand generates supply, as they say.

Apart from the AES there are several reactors in Obninsk. Almost every enterprise uses radioactive sources and various high-risk instruments in its activity.

The acts of subversion which Dudayev has long threatened are easy to carry out and are feasible. But even without acts of terrorism, simply because of our bad management, a tragedy the equal of the Chernobyl one could occur.

There are no guarantees that it will not happen because of the lack of cold water, heating, and electricity, interruptions in whose supply are being experienced here increasingly frequently. If they do not manage to avoid an accident then at best the radioactive background will force Muscovites to leave the capital. But that, I repeat, is at best.

Today it is not only the position of the Chechen leader but also that of the Russian president which presents a threat to Obninsk. The state's inappropriate attitude toward the nuclear centers' problems is leading to unpredictable consequences. Of course, there are also money difficulties. But after all, to eliminate the consequences of an accident considerably more funds will be required than to maintain establishments operating normally today.

...When our unpredictable president, confusing it with Tula, flew to Kaluga Oblast, his fellow countryman from Sverdlovsk, Academician Deryagin, who holds the post of governor, tried to inform Boris Nikolayevich of the plutonium situation. But the latter merely dismissed him: "I know it all! Thing are completely in order there!"

Of course, the Russian leader's degree of information is no match for mine but all the same....

Toward evening I left Obninsk. The sun was shining but the rain continued to drizzle. They say this will be good for the mushrooms in the summer. Good, as long as they are not mushroom clouds....

Essential Postscript

When this item was ready for publication I got in touch with Obninsk. Mayor Shubin announced that with the start of military operations in Chechnya all high-risk establishments have been put under special control by special subunits of the Federal Counterintelligence Service [FCS]. The city administration has developed a plan for action for the law enforcement organs.

In a conversation Colonel Viktor Yeremeyev, chief of the FCS department for Obninsk City, stated that an MVD [Internal Affairs Ministry] regiment had been recruited to guard the AES. In addition specialists from the U.S. Defense Department and NATO had expressed the readiness to help equip the energy physics institute with sophisticated security apparatus. V. Yeremeyev said that most likely Dudayev's gunmen "are far-removed from the problems" of nuclear power engineering. It will be difficult for them to cope in an unfamiliar situation and especially to commit an act of terrorism in a scientific center. Especially as the FCS is has already taken a number of steps preempting the bandits' operations. For instance, the doorway and apartment of a well known academician (I deliberately do not name him) have been equipped with a secret alarm system. In the event of danger the scientist only

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has to press a button and security service employees will come to his assistance immediately.

On bidding farewell to the colonel I said: "Moscow is behind you!" He agreed with me.

Chechen Minister Promises To Take War 'Inside Russia'

MM0602164095 London AL-HAYAH in Arabic 4 Feb 95 pp 1, 4

[Report by As'ad Taha: "Chechen Defense Minister Tells AL-HAYAH: We Will Shift the War to Russia"]

[FBIS Translated Text] Groznyy—Chechen Defense Minister Aslan Maskhadov has threatened to shift the war, "which is still at its beginning," to inside Russia. In an interview with AL-HAYAH at his headquarters in a Groznyy suburb yesterday, he denied the Russians' claims that they control the Chechen capital. He stressed that its fall "is unlikely, and currently out of the question."

The Chechen minister accused the Russians of using internationally banned weapons against his people. He spoke of the "ferocity" and "indiscriminate nature" of the war launched by Moscow, with the artillery shelling directed at civilian targets, market places, and public gathering places. He said that the war is "against the Chechen people's choice and not only against the person of (President Dzhokhar) Dudayev."

He expressed amazement at the magnitude of the military force used by Moscow for the implementation of that task in which, he said, paratroopers, special forces, and air and naval forces participated. He said that the confrontation with the Russians in Groznyy "is still at the beginning. They control the left bank of the river Songa and we hold the right bank. The battles have also extended to the towns of Argun and Chalye [as transliterated]."

In his interview with AL-HAYAH, he did not rule out the possibility of withdrawing his forces from the city to save what is left of it from destruction by Russian artillery, but he emphasized that that would not mean the end of the war because "we will move to the neighboring villages, mountains, and cities and we will continue the war. We have made our preparations for that and we have studied the Afghan war model."

He estimated the Russian losses so far at "6,000 dead and three times that number wounded. The number of pieces of military equipment destroyed has reached 450." He said that "an average of 20 soldiers are killed, three times that number are wounded, and about 20 pieces of military equipment are destroyed daily on all fronts."

He also said that the Chechen forces "have so far lost 500 martyred fighters. About 10 are martyred and about 15 wounded every day."

The Chechen defense minister accused the Russian forces of using internationally banned weapons such as cluster bombs and some chemical weapons. He showed AL-HAYAH some samples at his headquarters.

He said that "after the massive destruction inflicted on our country we decided to take the war inside Russia itself so that its people would feel what our people are feeling." But he added that "we have the will to do that but we will wait for the appropriate time. It will be extremely painful for Russia."

He addmited that his government failed to build the Chechen Army in the past three years, that is since independence, but he declined to say why. He strongly criticized some Islamic states. He said: "We expected media or political support at least against the barbaric war waged by Russia against us." In conclusion, he said: "We have the necessary will and faith in God to overcome the tribulation to which our people are being subjected."

Chechens Ready To Swap POW's, Predict Decades of Bloodshed

MK0702091095 Moscow SEGODNYA in Russian 7 Feb 95 p 2

[Report by Lev Aleynik under the "Peacekeeping" rubric: "Chechnya Is Still Ready To Swap POW's. Truce Talks Have Not Yet Taken Place"]

[FBIS Translated Text] General Aslam Maskhadov, chief of the Chechen Army General Staff, met 4 February with a mission of the Russian Federation Human Rights Commissioner under State Duma deputy Yuliy Rybakov and reaffirmed the Chechen side's readiness to exchange the wounded and POW's.

At the same time, Gen. Maskhadov said that the list of 12 Chechnya POW's passed to him by the Russian side "does not give grounds to carry out an adequate exchange because there are no fighters or levy-en-masse force members in it." In the general's view, "this is yet more proof of the fact that the Russian side is not interested in having its soldiers released and that it shows no mercy to their mothers."

Meanwhile, the "Kovalev group" also continues to tackle problems of civilians still in Groznyy (there are currently about 100,000 such people); in that regard it has repeated its initiative for a 48-hour cease-fire to be called in order to organize the evacuation of the entire civilian population from the city, to exchange the wounded, and to remove the dead. Mr. Maskhadov expressed his readiness to contact Gen. Babichev in order to discuss technical details of the plan. However, "the Russian side failed to make contact once again," Usman Imayev, general prosecutor of the Chechen Republic, said.

Mavlen Salamov, Dzhokhar Dudayev's aide, said that "a meeting of the Chechen People's Congress is due to take place one of these days, which the president will advise against dealing with the current Russian leadership because it is incapable of negotiations." Mr. Salamov is

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certain that "the extermination of people during this Caucasus war will drag on for decades and that other Caucasus regions will not stay aloof either." In his words, "the paths of Dudayev's emissaries cross on arms markets with those of buyers from a number of North Caucasus republics, which are afraid that the military conflict might spill over into their territories."

Moscow Roundtable Hears Wide Spectrum of Views on Chechnya

MM0702112595 Moscow PRAVDA in Russian 7 Feb 95 p 1

[Report by Boris Slavin: "Peace to the Caucasus, Peace to Russia"]

[FBIS Translated Text] "Peace to the Caucasus, Peace to Russia"—that was the title of a roundtable conference held in Moscow on 5 February.

Virtually all the political nuances of the understanding of the Chechen tragedy were highlighted. The most radical stance was expressed by Kh. Ibragimbeyli, who called democratic Russia an "evil empire" which has taken its colonial policy wholesale from 19th century monarchical Russia. A similar position with regard to Chechnya was expressed by the financier A. Illarionov, who is close to government circles: He suggested that Chechnya should be treated in the way that De Gaulle treated Algeria. A different stance was adopted by the representatives of the Chechen community in Moscow, who believe that Chechnya's autonomy should be envisaged solely "within the framework of Russia."

Ibragimbeyli's radical comments clearly frightened the representatives of the radical democrats who organized the roundtable. F. Shelov-Kovedyayev demanded that the declaration of the congress of Caucasian peoples should not be published. He said that if it were published "they will call us extremists and Russian society will have nothing to do with us." Ye. Gaydar spoke in the same vein, condemning the Chechen war in terms of its aims and the forms in which it is being waged. The democrats, fearful for the president's reputation, said that he should "not be cornered" and that he should be given a chance to rid himself of his odious army generals who unleashed the war. Thus the czar (the president) is good, but the generals (the boyars) are bad.

Leftist academics asserted that the Chechen war is a continuation of the president's anti-people course, a means of diverting the masses from the economic difficulties, and a method of strengthening his dictatorial power.

Yeltsin Adviser Interviewed on Dudayev

LD0402215295 Moscow Mayak Radio Network in Russian 1630 GMT 4 Feb 95

[FBIS Translated Text] Now for an interview that we promised with Russian Presidential Council Member Emil Pain. The subject is what we do and do not know about Dzhokhar Dudayev. This interview, recorded by our correspondent Lidiya Podolnaya, may help you to recall some gaps in our knowledge and better understand the reasons behind the Chechen crisis.

[Begin recording] [Pain] Generally speaking, Dudayev's story reminds me of the fairytale of the little loaf who managed to escape the hands and teeth of the old man and the old woman, and run away. Dudayev was brought into Chechnya after a 20-year absence as a figurehead. Those who were unable to share power after it slipped out of the Communists' hands were counting on their ability to easily remove this man from power later on, as he had not been in Chechnya for 20 years, and his reputation lay solely in the fact that he was the first Soviet general to come out of Chechnya. And it was very important that here was a man without important family ties, because in the Caucasus—and, generally speaking, in all societies of a traditional natur—, such a man is considered incapable of existing for long as a leader.

So, those people who set him up soon realized that a man who does not have contacts can quickly develop them and that a general, a good general, can also be a brilliant political schemer. And all of them were subsequently declared enemies of the people. Generally speaking, Dudayev's story is in this respect reminiscent of Niyazov, ex-orphan and current father of the Turkmen people [turkmenbashi]. To some extent, it brings to mind the stories of Stalin and Brezhnev, who were also regarded as insignificant people and temporary figures, and who then went on to take very good care of their entourages when their extremely powerful self-preservation instincts were activated.

But Dudayev's story did not end there, because then [former chairman of the Russian Supreme Soviet] Khasbulatov had designs on his post. That is quite clear, because he was the very one who dissolved the Supreme Soviet of Checheno-Ingushetia and set up a new body of power—the provisional supreme council. However, Dudayev had other ideas. The same provisional supreme council was soon collectively declared an enemy of the people and, a little further on down the line, sentence was passed on Khasbulatov. too.

Moving on then: In 1991 Moscow officials—from the presidential entourage, too—were also counting on Dudayev. In any case, they wanted to keep him in line. Our democratic community also pinned their hopes on him. They regarded him at that time as a hero, the leader of a national liberation movement. He tricked them, too.

[Podolnaya] That's no mean feat, is it? He was a rare character, wasn't he?

[Pain] Certainly. In my opinion, he is a modern Kutuzov, skilled at luring troops in close. Thus, he created in the minds of some of our generals the impression that Groznyy could be easily taken, who then talked about doing it in two hours with one regiment.

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He is a formidable match for our politicians, too. It was extraordinarily interesting to see how, when faced by a crisis, when the population was on the verge of collapse and seemed close to losing faith in him, he exploited the situation brilliantly to strengthen his position. He only had to say that any attempt to conclude a treaty with Russia would lead to the defeat of Chechnya and a new deportation. In an instant, he consolidated society. But here one should also keep in mind the particular characteristics of Chechen society. [end recording]

Yeltsin Aide Says Dudayev is 'Intrigant' Who Deceived All

LD0402190495 Moscow ITAR-TASS in English 1705 GMT 4 Feb 95

[FBIS Transcribed Text] Moscow February 4 TASS—Chechen President Dzhokhar Dudayev is an "excellent political intrigant with a strong instinct of self-preservation," Russian presidential aide Emil Pain said.

In an interview with the Mayak radio station on Saturday, he said Dudayev has managed to "escape the grabbing hands and the sharp teeth" like a well-known character from a Russian fairy- tale.

Dudayev was a "figurehead" created by both local clans and some members of the president's inner circle who believed that the future "head of Chechnya" will be easy handle. The democratic-minded public also made its contribution by "molding" a hero and leader of the national liberation movement out of Dudayev, he said.

Pain stressed that Dudayev used all this to strengthen his power and even managed to deceive some of the Russian generals who started to think that Groznyy could be taken by "two regiments within two hours."

In his earlier interview with ITAR-TASS, Pain said there were several reasons that led to the Chechen conflict, namely the inactivity of Russian authorities in October 1991 when Dudayev was establishing his regime in Chechnya; the transfer of Russian weapons to Chechnya; and the failure to sign a power-sharing agreement with Chechnya.

"Dzhokhar Dudayev is an unscrupulous man who used the gravest problems in Chechnya for his own benefit," Pain said.

Minister Admits to Human Rights Violations in Chechnya

LD0602142095 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 6 Feb 95

[FBIS Translated Text] There have been instances of human rights violations in the Chechen Republic, said Valentin Kovalev, chairman of the provisional supervision commission and Russian justice minister, today. Here is our correspondent.

[Correspondent] At the same time Valentin Kovalev emphasized that one had to differentiate between human rights violations as a state policy of Dudayev's regime, and violations occurring as a result of excesses taking place during a military operation. The latter did indeed take place, but the minister preferred to focus his attention on the so-called numerous crimes of Dudayev's regime. Valentin Kovalev admitted that certain mistakes had been made during the military operation, but we have all learned our lesson, said the justice minister.

Grachev Says Russian Forces Fulfilled Task in Chechnya

LD0602144295 Moscow INTERFAX in English 1416 GMT 6 Feb 95

[FBIS Transcribed Text] Moscow, Feb 6 (INTERFAX)—Russia's Defense Minister Pavel Grachev stated that "the armed forces have fulfilled the task" assigned to it during the operation to restore the constitutional order in Chechnya.

Grachev's aide Yelena Agapova told Interfax that Grachev met with the Russian military leaders Monday.

Speaking about the Chechen conflict, Grachev said that during the night of February 5, the armed forces "established control over the militants' last stronghold in the center of Groznyy (Minutka Square) and blocked the southern approaches to the city." He also said that the armed forces' next task was to ensure operations by the interior troops and police."

Agapova also said that the results of the Defense Ministry's work over the past week had been summed up.

Ingush Spokesman Denies Heightening of Tension

LD0602160695 Moscow INTERFAX in English 1417 GMT 6 Feb 95

[FBIS Transcribed Text] Moscow, Feb 6 (INTERFAX)—The president of Ingushetia's press secretary has denied any fueling of tension in the republic because of developments in neighboring Chechnya. In an interview with Interfax, Kureish Agasiyev said that the local government and power ministries were in control.

He reported business as usual though everyday life was disrupted because of the arrival of large numbers of Chechen refugees and fears of a possible outbreak of fighting on Ingush soil.

The press secretary spoke of local outrage over "attempts by certain forces in the region and Moscow to try to drag the republic into the orbit of the Chechen crisis".

Agasiyev's statement follows media reports of signs of mounting tension in Ingushetia over the past few days. The law enforcement bodies are in control of the situation in the republic, he said.

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Ingush Leader Denies Chechen Forces Building Fortifications

LD0602145095 Moscow INTERFAX in English 1418 GMT 6 Feb 95

[FBIS Transcribed Text] Nazran, Feb 6 (INTERFAX)—Dudayev militants are not putting up any fortifications on the territory of Ingushetia, Ingush Vice-President Boris Agapov told Interfax. He said that the information being disseminated on this "on the part of the Federal Counterintelligence Service and the Main Intelligence Department", is "not a simple mistake, but an far-reaching ill-intentioned act."

Agapov said that fortifications near settlements of Assinovskaya, Nesterovskaya, Sleptsovskaya and Sernovodskaya are being put up by units of the federal border service and internal troops in line with the decision of the federal leadership on sealing administrative borders between Ingushetia and Chechnya.

Agapov believes that the "Russian special services claim that such structures are strongholds made by Chechen militants."

"Every man who visited Ingushetia may see for himself that this is not true to fact," said Agapov.

High Officials Said To Have Private Interests in Chechnya

LD0602162995 Moscow Mayak Radio Network in Russian 1500 GMT 6 Feb 95

[FBIS Translated Text] The IMA-PRESS [not further identified] agency learned that Russian law enforcement agencies received documents which show that a number of high-ranking federal officials have private interests in Chechnya. [Words indistinct] that a large amount of oil sent from the Stavropol kray to Chechnya for refining, with the condition that it would then be returned as gasoline, was instead delivered to Ukraine by agreement with certain Russian officials.

Federal Forces Conduct Missile Strike Near Alkhan-Kala

LD0602154295 Moscow ITAR-TASS World Service in Russian 1514 GMT 6 Feb 95

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Translated Text] Nazran, 6 Feb—Federal forces today mounted a missile and bombing strike on a concentration of fighters near the settlement of Alkhan-Kala, west of Groznyy. The ITAR-TASS correspondent was told this at the operational group of the Government of Ingushetia.

According to information from the same sources, in Groznyy subunits of federal troops have crossed the River Sunzha in the area of the railway station. Positional skirmishes continued in the city.

General: Interior Troops To Stay in Chechnya 'a Long Time'

LD0602173395 Moscow Ostankino Television First Channel Network in Russian 1552 GMT 6 Feb 95

[Interior Ministry "Operational Reports" feature by Correspondent Sergey Shevtsov; from the Novosti" newscast]

[FBIS Translated Text] Intensive exchange of fire continued today in southern and southeastern areas of Groznyy, as well as in the direction of Vladikavkaz. As a result of military actions, federal troops are in control of the outskirts of Gudermes and parts of villages of Gikalovskiy and Prigorodnoye. Interior troops and the militia have cut off the militants from the village Assinovskaya, continued to guard bridges over the Terek, and accompanied convoys along the Meshcherskoye-Dolinskoye and Bratskoye-Ken-Yurt-Vinogradnoye routes.

Militants are mining buildings and vehicles as they retreat. For example they have mined the administrative blocks and the shopfloor of the Anisimov works in Groznyy.

Russian interior troops have confiscated several more armored vehicles and prepared for action near Gudermes, the second largest town after Groznnyy, where the militants are building support bases and concentrating manpower and equipment. Similar bases are being set up on the western outskirts of the village of Argun.

With the transfer of the responsibility for military and administrative tasks to the interior troops and the militia, a question comes to mind: will the interior troops manage on their own, and what do they need to resist an enemy armed with heavy weapons? Colonel General Anatoliy Kulikov, commander of the interior troops of the Russian Interior Ministry, answered these questions.

[Begin Kulikov recording] "Today we were faced with the necessity to respond to multiple rocket launchers and heavy artillery. Therefore we have had to reassess the use of our own forces as well. As a support measure we have to take weapons from the Defense Ministry into operational subordination. In certain instances, to increase our fire power, we have had to deal with the question of organizational and command restructuring of the interior troops. We will not do it everywhere. We will only do in units allocated to carry out a specific task. For example this unit, or that division, or a separate tank battalion for all interior troops. We will do it where we need to use such force. Because I don't think we will manage to clean out everything, including the heavy weapons. This is what we are talking about.

"We also need air defense. We need helicopters with fire power. And because we are going to stay here for a long time, and we will be fighting against organized armed bands in the mountains, we will need at least one helicopter squadron. This is what we want to put to the

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government. Otherwise we will have to call upon the army all the time. We will have to tell them to give us the Army." [end recording]

FSK: Situation 'Under Control' in Ingushetia

LD0602182095 Moscow INTERFAX in English 1658 GMT 6 Feb 95

[FBIS Transcribed Text] NAZRAN, Feb 6 (Interfax)—"The situation is under control in Ingushetia and there are no signs of complications," Deputy Head of the FSK [Federal Counter- Intelligence Service] Ingush Department Murad Zyazikov told Interfax on Monday. He described the situation in the Ingush populated areas bordering on Chechnya and North Ossetia as stable.

"Tensions are being fanned by allegations about the presence of Dudayev militants in Ingushetia. However, this gives no one the right to assert that the situation is explosive in the republic," he said. He also qualified such statements as "provocational".

He confirmed that Ingush citizens had been detained by Russian Interior troops and sent to the "filtration camp" in Mozdok (North Ossetia). "I have no information about the number of detainees or conditions in which they are kept," he said. "However, those released from the 'filtration camp' said that they had been treated brutally," he added.

Border Guards Deny Dudayev Militants in Ingushetia

LD0702120895 Moscow INTERFAX in English 1042 GMT 7 Feb 95

[FBIS Transcribed Text] Nazran, Feb 7 (INTERFAX)—Commander of the Nazran border guard detachment, Colonel Vladimir Bulanichev, has denied the assertions by some Russian officials that there is a group of Chechen militants in Ingushetia.

He told INTERFAX by telephone that those assertions were untrue.

"There is no threat for us, border guards, as some allege. The situation in the republic is controlled by the Ingush authorities with whom we cooperate," said Bulanichev.

Interior Ministry Troops Said To Replace Army in Chechnya

LD0602181695 Moscow INTERFAX in English 1658 GMT 6 Feb 95

[FBIS Transcribed Text] MOZDOK, Feb 6 (Interfax)—The Russian Armed Forces are expected to transfer control of the territory of Chechnya controlled by them to interior troops, a high-ranking official in the Russian Defense Ministry told Interfax today.

The same source said the federal troops in Chechnya today had managed to block the main highways leading to Groznyy. Thus, supply of Chechen militants in Groznyy with fresh arms and fighters has been frustrated.

The same source said that the federal troops had eliminated or "forced out" the Dudayev troops from the center of Groznyy.

AFP: Chechen Rebels Give Ground in Groznyy But Deny Defeat

AU0702121495 Paris AFP in English 1035 GMT 7 Feb 95

[FBIS Transcribed Text] Goiti, Russia, Feb 7 (AFP)—Chechen fighters were pushed back by Russian forces in fierce fighting in southeast Groznyy overnight Monday, correspondents observed, but the rebels denied reports that they had been forced to retreat from the Chechen capital.

Reporters in Groznyy said the rebel headquarters had taken a decision around midnight Monday to leave the capital in the face of Russian attacks.

Russian forces which invaded the breakaway republic on December 11 currently control around two-thirds of the city.

Last Thursday the Russian commander in Groznyy claimed to have gained control of 75 percent of the city and to be mopping up in the rest, apart from some Chechen resistance in the Oktiabrskiy district.

Chechen soldiers admitted that Russian forces had broken through their defences southeast of Groznyy on Friday, virtually encircling the city.

Rebel fighters denied Tuesday that the Russian forces had scored a major victory in the rebel capital.

They claimed still to control the Oktyabrskiy district and Minutka Square in the southeast of the city, where the rebel Chechen headquarters is located.

On Monday, the ITAR-TASS news agency had quoted Russian Defence Minister Pavel Grachev as saying that the Russian forces had crushed Chechen separatist resistance in Groznyy's last remaining rebel bastion.

Chechen Official Denies Russia in Full Control of Groznyy

LD0702121795 Moscow INTERFAX in English 1151 GMT 7 Feb 95

[FBIS Transcribed Text] Nazran, Feb 7 (INTERFAX)—A representative of the chief staff of Chechen troops has turned down Moscow's claims that Russian troops fully control Groznyy. He told INTERFAX Tuesday morning that the formations of Dzhokhar Dudayev still keep Oktyabrskiy district and the suburban town of Chernorechye, i.e. the southern and south-western parts of the city. The areas are under heavy artillery and rocket fire.

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The southern mountainous areas of Chechnya, in particular Shali and the highway to Groznyy, came under air attacks Monday.

Forty-six Ural trucks with Interior Ministry troops and about twenty armored vehicles drove in the direction of Groznyy last night along the Rostov-Baku federal highway.

Defense Ministry Prepares Troop Withdrawal From Chechnya

LD0702121695 Moscow INTERFAX in English 1042 GMT 7 Feb 95

[FBIS Transcribed Text] Moscow, Feb 7 (INTERFAX)—The Russian Defence Ministry has started preparing for the withdrawal of armed forces from Chechen territory, a well-informed source in the ministry leadership told Interfax Tuesday.

He said a special ministry commission was to define the number of trains, transport planes and other vehicles for the return of troops to their barracks. The withdrawal plan is expected to be made in a few days.

The spokesman said the armed forces carried out their task during the operation to restore constitutional order in Chechnya. He said the army routed the key formations of militants, destroyed a considerable number of heavy weapons and artillery guns of the supporters of Dzhokhar Dudayev, completed the encirclement of Groznyy and seized strategic targets in the Chechen capital.

According to the military, a new stage is beginning in the Chechen operation in which the key role will be played by Interior Ministry troops and the police. In this context he said that Interior Minister Viktor Yerin flew to the conflict zone Tuesday.

The official said that units of the North Caucasus military district will remain in Chechnya on a permanent basis. According to preliminary reports, they should be one division and two infantry brigades.

Economic Issues

Moscow Must Sign IMF Agreement To Get World Bank Loan

LD0602164095 Moscow INTERFAX in English 1344 GMT 6 Feb 95/

[FBIS Transcribed Text] MOSCOW, Feb 6 (FIA-Interfax)—Russia can expect a second rehabilitation loan worth $600 million from the World Bank only after it signs an agreement with the International Monetary Fund (IMF).

As a top Russian Finance Ministry official has revealed to an FIA reporter, the World Bank's rehabilitation loan is intended for economic restructuring and is not tied up with commodity obligations. Credit funds can be spent as the government deems fit to improve the balance of payment and bridge the state budget gap, however, not at the expense of further inflation. Yet, one of the strings attached to this loan is the retention of "some balance" between the volumes of centralized export and currency interventions, aimed at keeping the national currency afloat.

The source recalled that talks between Russia and the World Bank over the second rehabilitation loan had begun in August of 1993 but at a time of a high rate of inflation had proved unsuccessful. Meanwhile, the opening of a credit line was postponed last year chiefly because Moscow kept the export quotas on oil and petrol product intact. As the Russian government officially abolished export quotas in early 1995, there are no more formal obstacles to getting the rehabilitation loan.

The source did not rule out that the World Bank's Board of Directors might reschedule the terms of financial aid to Russia again due the unceasing military conflict in Chechya or for "other political and economic reasons."

Ministry Sees Room for Compromise

LD0702122895 Moscow ITAR-TASS in English 1129 GMT 7 Feb 95

[FBIS Transcribed Text] Moscow February 7 TASS—There is still some room for a compromise with the International Monetary Fund over the granting of a 6.2-billion-dollar credit to Russia, a spokesman for the Russian Ministry of Finance told BUSINESS-TASS today. The talks, which were suspended recently, are expected to be resumed late in February.

The sides are going to use the break for analysing the preliminary results and considering possible compromise solutions for the future talks about the opening of a credit line for Russia by the IMF.

Differences emerged at the recent talks between IMF experts and Russian representatives primarily over their assessment of how realistic the 1995 state budget is, taking into consideration additional expenditures in connection with the developments in Chechnya and the law on increasing minimal wages, adopted by the State Duma, BUSINESS-TASS learned from reliable sources at the Russian Ministry of Finance.

Loan Talks Suspended Until Later

LD0602180395 Moscow ITAR-TASS in English 1723 GMT 6 Feb 95

[FBIS Transcribed Text] Moscow February 6—Russia and the International Monetary Fund (IMF) suspended until later this month talks on a 6-billion-dollar standby loan for Russia, BUSINESS-TASS was told today in the Russian Finance Ministry.

The talks slowed down because IMF experts fear that Russia's 1995 budget might be unrealistic taking into

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consideration additional expenditures related to combat actions in Chechnya and a parliamentary decision to raise minimum wages.

According to the source, Russian FInance Minister Vladimir Panskov is now receiving a hospital treatment. The Finance Ministry denied media reports that Panskov had allegedly pronounced any statements predicting an outcome of the talks with the IMF. [sentence as received] Such reports were designed to complicate the situation around the standby loan talks, the Finance Ministry's spokesmen said.

Livshits Denies Disagreements With IMF

LD0702115595 Moscow ITAR-TASS World Service in Russian 1058 GMT 7 Feb 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Translated Text] Moscow, 7 Feb—Presidential aide Aleksandr Livshits in an interview today with ITAR-TASS denied reports saying that talks with the IMF on a $6 billion credit to Russia had been suspended because of differences in positions adopted by IMF experts and Russia. "The IMF mission has temporarily left Moscow. This departure was planned and is not linked to differences in experts' positions on financing the restoration of Chechnya's wrecked economy. Prior to their departure, IMF experts worked with the Russian side, unusually, throughout Saturday and Sunday," Livshits said.

He believes that, due to the volume of questions on which agreement has been reached, the IMF mission in Moscow is facing a "moment of choice", when "the leadership of the International Monetary Fund needs only the political will" to reach a decision on assigning credits to Russia.

Of the remaining issues on which agreement has not been reached, and which are to be discussed in the next round of talks, the presidential aide pinpointed "organizing the export of oil and petroleum products and small changes in the revenue and expenditure parts of the 1995 budget."

Aleksandr Livshits regards the law on raising the minimum wages to 54,400 rubles, passed by the Russian Federation State Duma, as the greatst threat to the new round of talks with the IMF on assigning Russia a reserve credit of $6 billion. "If this law is implemented the talks with the IMF will become pointless, as will continuing economic reforms, because the law on increasing minimum wages in fact means a complete destruction of the 1995 budget."

Livshits 'Confident' of Fall in Inflation Rate

MM0602161095 Moscow ROSSIYSKAYA GAZETA in Russian 4 Feb 95 First Edition p 5

[Report by Maksim Zarezin: "It Will Come Down Nonetheless! President's Aide Confident of Fall in Inflation Rate"]

[FBIS Translated Text] During a press conference given by Aleksandr Livshits, the Russian president's assistant on economic questions, the talk was primarily of the progress made in preparing for the head of state's annual message to the Federal Assembly "On the Basic Guidelines of Domestic and Foreign Policy of the Russian Federation."

Aleksandr Livshits said that the final coordination and consultation is currently being carried out; he himself has had frequent meetings with the president in order to discuss various aspects of the document and, according to the aide, the draft message is on Boris Yeltsin's desk. As for the economic section of the document, new approaches to the formation of the budget, the implementation of structural policy, and foreign economic activity, primarily trade and the movement of capital, will apparently be made public. At the same time Aleksandr Livshits stressed that no revolutionary proposals should be expected: All the innovations aim to develop the overall reform strategy. According to him, the message will provide objective assessments of the positive changes and miscalculations and will also cover the subject of payment arrears and the fall in production.

Aleksandr Livshits reckons that it is extremely important today to coordinate the economic lawmaking activity of all branches of power. The natural acceleration in the pace of the State Duma's work has, in the aide's opinion, resulted in some loss of quality in the preparation of documents, some provisions of which are unacceptable for various reasons. Thus, the law on the restitution of citizens' savings—even if the revenue section of the budget is implemented in full—will require 500 trillion rubles in order to be implemented.

The law on raising the minimum wage is now with the Federation Council and the president has the law on budget funding in the first quarter of 1995 to sign. If the former is adopted in its present form it will be a grave burden on local budgets while the latter contains a point whereby the government must give an account of spending by 1 March. As Aleksandr Livshits stressed, this requirement is not exceptional per se, but there is no such provision in the Russian Federation Constitution. At the same time this law must be adopted as soon as possible: The regions and sectors are waiting for the budget since it will make it possible to clear up many pressing questions, among other things averting the rising tide of miners' strikes.

The president's aide attributes the emergent clashes least of all to the political struggle; it is indeed necessary to take a more coordinated, comprehensive, and well-considered approach to resolving contentious economic problems. At the same time it is necessary to avoid frequent use of the presidential veto and avoid turning it into a kind of quality controller's rejection stamp.

Touching on the general situation in the economy, Aleksandr Livshits reaffirmed his forecasts regarding a fall in the rate of inflation in February and March

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compared with January, since these forecasts take into consideration factors that take a certain period of time to kick in. For instance in December the increase in the money supply was low (around 6-8 percent) but it was too soon for that to affect the January results. The talk of so-called "Chechen inflation" does not reflect real financial processes but rather a certain psychological mood, fears that the state will be unable to fulfill its budget pledges, which gives rise to inflationary expectations.

And another element of no small importance was touched on during the press conference. Power structure staffers have long since been disturbed by rumors that the payment of 20 times the monthly salary on discharge on pension is being canceled. When asked about the likelihood of these plans, Aleksandr Livshits said that this is the first he has heard of them; however, in the fall when amendments to tax legislation were being discussed there was a proposal to stop servicemen's exemption from the payment of income tax, but this concession was successfully preserved at that time.

Livshits: Chechen Costs Spread Under Various Budget Items

MM0702100095 Moscow KRASNAYA ZVEZDA in Russian 4 Feb 95 p 2

[Report by Sergey Knyazkov incorporating interview with Aleksandr Livshits, assistant to the Russian president for economic affairs; place and date of interview not given: "President's Message to Federal Assembly Will Be Heard in Mid-February"]

[FBIS Translated Text] Boris Yeltsin will deliver his annual message devoted to the main areas of Russia's domestic and foreign policy in 1995 to Federal Assembly deputies before 20 February. This was stated at a news conference Thursday [2 February] by Aleksandr Livshits, assistant to the president for economic affairs.

He noted that there are in fact new proposals on many factors but they will not be completely unexpected or revolutionary—everything is proceeding toward the development of previously adopted decisions. The economic section of the draft president's message incorporates such aspects as budget ideology, questions of structural policy, and new approaches in foreign economic activity, especially trade and movement of capital.

Livshits dwelt on the economic subjects causing most concern. They include decisions to increase the minimum wage to 54,400 rubles and to restore citizens' devalued savings. In the presidential aide's opinion, if they are adopted by the Federation Council we can expect a 25-percent increase in monthly inflation. Furthermore, the entire burden of implementing the first decision rests on local budgets.

As regards the financing of expenditure on Chechnya, Livshits said that according to his information all questions were removed prior to the second reading of the draft budget law for 1995 in the State Duma. And so-called "Chechen inflation" is a factor associated with "unpleasant changes in economic psychology." It is not material but is completely based on expectations.

After the news conference Livshits answered a number of KRASNAYA ZVEZDA's questions.

[Knyazkov] Does the president's message contain a section devoted to the Armed Forces and an assessment of their activity in Chechnya?

[Livshits] Yes, it does.

[Knyazkov] Could you reply in more detail, from what resources will the combat operations in Chechnya be financed?

[Livshits] Unless I am mistaken, the State Duma has spread expenditure on financing the combat operations in Chechnya under various items of the 1995 budget. A considerable proportion of the expenditure was classified as a small increase in the deficit. Once it comes under the deficit it means that the expenditure does not fall on the Defense Ministry.

I advocate that defense must not be harmed, but the structure of military expenditure must be substantially rationalized. It is a secret to everybody, nobody knows anything about it, and there is certainly much scope for utilizing allocated money "a bit better."

[Knyazkov] Bearing in mind the Army's role in resolving the Chechen conflict, is the possibility of increasing servicemen's pay being considered?

[Livshits] Essentially the Army is a budgetary sphere. Naturally, the government's plans include an increase in the wages of budget-funded workers. As long as it is within this framework, that's fine. Servicemen are budget-funded workers just like me.

[Knyazkov] As far as I understand from your speech today, this is not an immediate question.

[Livshits] I don't know, it's hard for me to answer now—it is a matter of figures. Of whether the Finance Ministry has the necessary resources or not. If not, where will they be found?

Lukin: Economic Sanctions Possible Over Chechnya

LD0602191095 Moscow INTERFAX in English 1648 GMT 6 Feb 95

[From the "Diplomatic Panorama" feature: by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX)—The decision on suspending consideration of Russia's application for admission to the Council of Europe made by the Parliamentary Assembly of the Council of Europe in Strasbourg reveals that public

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opinion has changed its position towards Russia, Chairman of the State Duma Committee on International Affairs Vladimir Lukin said in Moscow today.

Lukin told a press conference that the position of the countries important for Russia primarily from the economic point of view was likely to have changed.

Lukin said the discussion in the Parliamentary Assembly of the Council of Europe proved that economic sanctions might be applied to Russia in the near future. He explained his statement saying that the Parliamentary Assembly of the Council of Europe had backed the resolution of the Euro-Parliament proposing that the agreement on partnership between Russia and the EU be not ratified.

Lukin stressed that the Russian parliamentary delegation in Strasbourg represented the position of the parliament instead of defending the executive power which allowed the Russian delegation to keep the status of "a specially invited delegation" at the Parliamentary Assembly of the Council of Europe.

After the press conference Vladimir Lukin told an Interfax correspondent that it was "extremely indecent" for politicians still in power to publish their memoirs about present or past events.

Lukin said it was improper for Russian Foreign Minister Andrei Kozyrev to publish extracts from his book containing "confidential information on international talks."

Lukin said this undermined "the principle of confidence." He said the essence of political talks was considered as improper for publication all around the world.

Finance Minister Says Foreign Loans Could Stop

LD0602151995 Moscow Ostankino Television First Channel Network in Russian 0952 GMT 6 Feb 95

[From the "Novosti" newscast]

[FBIS Translated Text] Experts estimate that last year the planned budget was 60 percent fulfilled. GDP went down 15 percent, whilst industrial production went down nearly 21 percent. The main thing, though, is that investments—and both internal and foreign investments, at that—have virtually ground to a halt. Just over $1 billion came in in direct foreign investments last year. The situation is made more difficult by something else. Last week, Russia was refused membership of the Council of Europe, because of the events in Chechnya. This could bring in its wake a suspension of credits from international financial organizations. But the government is expecting to use these loans to cover a substantial part of the budget deficit for 1995 precisely using these loans.

[Russian Finance Minister Vladimir Panskov—identified by caption] There will still be foreign loans, but they will not be on the scale we have envisaged. That is, there will be no stand-by loan of 6 billion rubles, there may perhaps be no [word indistinct] credit of around $600 million. In that case, we shall have to seek additional sources. If we do not find any, then we may attract additional sources from other investors—that is, an issue of treasury bonds on a voluntary basis. And if this does not work, then we shall have to cut spending. We, and I personally as minister, shall keep a tight rein on the budget deficit.

January Industrial Output Shows Decline

MM0602174795 Moscow ROSSIYSKAYA GAZETA in Russian 4 Feb 95 First Edition

[Unattributed report: "5-Percent Slump in January"—from the "Business in Russia" section p 1]

[FBIS Translated Text] In the first 22 days in January this year average daily production of highly important categories of Russian industrial output stood at 95 percent of production during the same period a year ago.

RIA-NOVOSTI's correspondent was told this by the Russian State Committee for Statistics. In the first 22 days of January production of 47 out of 163 categories of reported industrial output (29 percent of the total) rose whereas production of 109 categories (67 percent) fell.

Production of steel, rolled metal, and coke is 4-7 percent up on last January's level while production of tractors, mineral fertilizers, and pulp is 18-28 percent up. At the same time production of meat and animal fat has dropped considerably—by 41-42 percent—while production of vacuum cleaners, televisions, refrigerators and freezers is down by 51-59 percent and production of hosiery and knitwear by 47-54 percent.

Yeltsin Signs Edict on Privatization in Moscow

LD0602202895 Moscow ITAR-TASS World Service in Russian 1451 GMT 6 Feb 95

[FBIS Translated Text] Moscow, 6 Feb—Boris Yeltsin today signed a decree allowing the government of Moscow to determine the initial price of state (municipal) enterprises or public joint stock enterprises created through the transformation of those enterprises when they are sold at auctions or through tenders. The price is to be determined on the basis of the balance for the quarter preceding the date at which the privatization application had been submitted.

The text of the edict "On the Second Stage of Privatization in the City of Moscow," which has been made public by the presidential press service, also determines other particulars of the privatization process in the capital.

Consolidated Consumer Price Data for 1994 Published

MM0702113195 Moscow ROSSIYSKAYA GAZETA in Russian 7 Feb 95 First Edition p 2

[Unattributed report: "Russian State Committee for Statistics Reports"]

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[FBIS Translated Text] The aggregate consumer price index for commodities and paid services to the population for 1994 (December 1994 in relation to December 1993) came to an average for the Russian Federation of 303 percent: First Quarter—140 percent; Second Quarter—123 percent; Third Quarter—118 percent; Fourth Quarter—149 percent (October—111.8 percent; November—114.2 percent; December—116.4 percent).

The aggregate consumer price index is calculated on the basis of a monthly survey of prices for 409 types of commodity and service conducted by statistics organs in all oblast, kray, and republic centers,and also in a third of Russia's rayon centers.

Government Decree on Oil Exports

MM0602151495 Moscow ROSSIYSKAYA GAZETA in Russian 4 Feb 95 First Edition p 1116

[Russian Federation Government Decree No. 1446 "On the Export of Oil and Petroleum Products Beyond the Russian Federation Customs Area From 1 January 1995," signed by V. Chernomyrdin, chairman of the Russian Federation Government, and dated 31 December 1995: "Oil for Export: New Export Procedure"]

[FBIS Translated Text] In accordance with Edict No. 1385 of the Russian Federation President of 1 July 1994 "On Export Shipments of Oil and Petroleum Products in 1994" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 10. p. 1116) the Russian Federation Government decrees that:

1. The appended Basic Conditions for the Utilization of the System of Main Oil Pipelines, Petroleum Product Pipelines, and Seaport Terminals for the Export of Oil (Footnote) (oil means oil including gas condensate—hereinafter oil) and Petroleum Products Beyond the Russian Federation Customs Area (hereinafter Basic Conditions) shall be ratified and enacted as of 1 January 1995.

The Russian Federation Ministry of Fuel and Energy shall ensure the conclusion of production contracts in accordance with the requirements envisaged by the Basic Conditions.

2. An Interdepartmental Commission shall be formed to regulate matters pertaining to the use of the system of main oil pipelines, petroleum product pipelines, and seaport terminals for the export of oil and petroleum products beyond the Russian Federation customs area (hereinafter the Commission). A.V. Fomin, Russian Federation first deputy minister of fuel and energy, is appointed chairman of the Commission. Within two weeks the chairman of the Commission shall submit to the Russian Federation Government in accordance with prescribed procedure the draft statute on the commission and proposals regarding its membership.

The commission shall submit reports every quarter on the results of its activity for the consideration of the Russian Federation Government Commission for Current Questions.

3. A rate of oil export duty (code TN VED—270900) **of ECU23 per tonne shall be established as of 1 January 1995 with a view to its being applied during the first quarter of 1995.**

The Russian Federation Ministry of Finance, the Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of the Economy, the Russian Federation State Customs Committee, and the Russian Federation Ministry of Fuel and Energy shall submit to the Russian Federation Government joint well-substantiated proposals:

within 10 days—on the rates of customs duty on exports of petroleum products and liquefied gases, mindful of the priority of meeting the Russian Federation's domestic market requirements for fuel and energy resources, the seasonal nature of their use, and other factors;

by 1 February 1995—on the rate of customs duty on oil exports for subsequent periods.

4. The Russian Federation Ministry of Finance, with the participation of the Russian Federation Ministry of the Economy, the Russian Federation Ministry of Foreign Economic Relations, and the Russian Federation Ministry of Fuel and Energy, shall submit proposals within the month to the Russian Federation Government adjusting the rate of excise duty on automobile gasoline during the first quarter of 1995.

5. The Russian Federation Ministry of the Economy and the Russian Federation Ministry of Finance shall examine the forecast prepared by the Russian Federation Ministry of Fuel and Industry for the development of the oil and oil refining industry in 1995 with a view to determining the sources of funding for these sectors' development.

Corresponding proposals shall be submitted on matters requiring a Russian Federation Government decision.

6. The Russian Federation Committee for State Reserves, the Russian Federation Ministry of the Economy, and the Russian Federation Ministry of Fuel and Energy shall, with a view to providing agricultural producers with motor fuel **during the spring field work, stockpile during the first quarter of 1995 in the state reserve around 1 million tonnes of automobile gasoline and around 1 million tonnes of diesel fuel.**

The Russian Federation Ministry of Finance shall make provision for funding the procurement and storage of the above quantity of motor fuel.

7. The Russian Federation State Customs Committee, in conjunction with the Russian Federation Ministry of the Economy, the Russian Federation Ministry of Fuel and Energy, and the Russian Federation Ministry of Foreign Economic Relations, shall clarify within the month, mindful of the provisions of the present decree, the procedure for exporting oil for processing outside the

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Russian Federation, as formulated on the basis of the Russian Federation Customs Code.

8. The Russian Federation Ministry of Foreign Economic Relations, in conjunction with the Russian Federation Ministry of the Economy, the Russian Federation Ministry of Finance, and the Russian Federation Ministry of Fuel and Energy, shall within the week:

submit to the Russian Federation Government for ratification the volumes of export shipments of oil, petroleum products, and liquefied gases in 1995 in accordance with intergovernmental agreements;

formulate and ratify the procedure for placing orders for export shipments of oil and petroleum products in accordance with intergovernmental agreements.

9. The Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of Fuel and Energy, the Russian Federation Ministry of the Economy, and the Russian Federation State Customs Committee shall formulate and ratify within the month the procedure for the export from the Russian Federation Customs area of petroleum products and liquefied gases which are not the object of foreign trade purchase contracts or exchange.

10. Every quarter the Russian Federation Ministry of Foreign Economic Relations, in conjunction with the Russian Federation Ministry of Fuel and Energy, with a view to monitoring the Russian Federation domestic market's supply of fuel and energy resources, shall formulate forecast balances and report balances for supply and demand for oil and the main categories of fuel and energy resources.

11. The Russian Federation State Committee for Statistics, with the participation of the Russian Federation Ministry of the Economy, the Russian Federation Ministry of Finance, the Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of Fuel and Energy, the Russian Federation State Customs Committee, the Russian Federal Service for Currency and Export Controls, the Russian Federation Central Bank, and other interested organizations, shall formulate and determine within the month the accountability of economic components regarding shipments of oil, petroleum products, and liquefied gases, including shipments outside the Russian Federation, and also regarding hard-currency revenue from foreign economic transactions involving fuel and energy resources.

Tatarstan Grants Oil Concessions to Foreign Investors

LD0602214395 Moscow ITAR-TASS in English 2113 GMT 6 Feb 95

[By ITAR-TASS business correpondent Robert Serebrennikov]

[FBIS Transcribed Text] Moscow February 7 TASS—"Liberization of oil exports from Russia is a very serious political decision: Such a strategic task requires a civilized approach and a decision made at the federal level," Tatarstan Vice-President Vasiliy Likhachev told ITAR-TASS on Monday [6 February].

According to Likhachev, the decision on liberalization of oil exports "gives rise to many problems", the most important one of which is about accessibility of the export pipelines. When tackling this issue, Likhachev fears, disputes may arise which may result in a criminal situation: Somebody will be the first to be awarded this privilege, somebody will be the runner-up, and someone will try to seek roundabout ways.

In this case it would be advisable to observe in a most strict manner the coordinated principles of regional policy, which provide for an equal dialogue of the parties concerned. It is very important that when making such strategic decisions such dialogues should be held, Likhachev said.

Despite the known difficulties, 23 million tonnes of oil were extracted in Tatarstan last year, which is "a very good showing", he emphasized.

Tatarstan decided to place more emphasis on increasing the volumes of oil processing. Western investors are involved in a project aimed at constructing a large oil refinery; the issue of expanding cooperation with the Bashkortostan-oased refineries is under discussion, he said.

Political stability in Tatarstan draws many foreign businessmen who are intent on investing in the republic's oil industry, he said.

"We show caution when tackling the issue of foreign investments, (because) we are aware that we will have to repay all credits and loans at an interest.

"A document is being worked out now, which permits to mete out concessions for using laid-up oil wells. (In keeping with the document,) Western businessmen will get access to oil and oil products, if they make investments, supply modern equipment and revamp the oil wells," the vice-president said.

Official Denies Claims on Oil Firm, But Questions Remain

MM0602161995 Moscow IZVESTIYA in Russian 4 Feb 95 p 2

[Unattributed report: "Ministry of Foreign Economic Relations Issues Denial, But Questions Remain"]

[FBIS Translated Text] The IZVESTIYA article "Authorities Secretly Setting Up Their Own Black Economy" (1 February 1995) triggered an immediate reaction from the authorities.

The editorial office received the following letter from the Ministry of Foreign Economic Relations:

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"A 25 January 1995 ministry collegium session did indeed consider the question of the registration of the 'Rostoplivo' Joint-Stock Company as an exporter of oil and petroleum products. But no positive decision was reached.

"We regret that IZVESTIYA should have used inaccurate information.

"We hope that in the future, to avoid any mistakes, the newspaper will use the official information on the registration of exporters that is regularly disseminated to the mass media by the ministry's press service. Deputy Minister A. Dogayev"

Andrey Dogayev has kindly sent the editorial office the final protocol of the Ministry of Foreign Economic Relations collegium decision No. 10-137/14, dated 30 January 1995, which indeed fails to include the "Rostoplivo" Open-Type Joint-Stock Company among those entitled to trade oil.

At the same time, "InformVES" (the ministry's official information structure) has confirmed that it supplied information 26 January (which formed the basis for two British articles—in the FINANCIAL TIMES and the PETROLEUM ARGUS oil industry news bulletin—as well as the IZVESTIYA article) as a "draft of the Ministry of Foreign Economic Relations collegium decision." A copy is reproduced above.

In conversation with an IZVESTIYA correspondent A. Dogayev, deputy minister of foreign economic relations, was unable to say just who owns the "Rostoplivo" Joint-Stock Company and how the reference to the Russian Presidential Staff's Administration of Affairs had appeared. But he confirmed that, before opening the question of the "Rostoplivo" Open-Type Joint-Stock Company for discussion by the collegium, the Ministry of Foreign Economic Relations had obtained all of this joint-stock company's necessary incorporation documents. But he refused to submit them to the editorial office, citing the confidential nature of the documentation. When asked why the Ministry of Foreign Economic Relations collegium had considered an application from a company whose legal address and telephone numbers were not accurate, A. Dogayev explained that the ministry "does not check documents—the applicants take full responsibility for them."

Thus, the main question remains open. The "Rostoplivo" Open-Type Joint-Stock Company was considered by the Ministry of Foreign Economic Relations collegium to be a potential oil exporter "to finance the programs of the president's Administration of Affairs," but the company does not feature in the final document.... Just what is the relationship between the open-type joint-stock company and the Presidential Staff's Administration of Affairs? News agencies have reported that an unnamed Presidential Staff official has denied the existence of any special programs to fund the Administration of Affairs, though the administration is mentioned in Ministry of Foreign Economic Relations working documents.

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International Affairs

U.S. Delegation Told About Problems With Russia

LD0702110195 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 7 Feb 95

[FBIS Translated Text] Ukraine is very important to the United States both from the political and the economic aspect, said Thomas Simons, head of a delegation of U.S. experts and coordinator of American aid to the newly independent states, at a meeting with Ukrainian President Leonid Kuchma. He emphasized that there have been considerable improvements in Ukraine recently, and that this occurred as a result of the president's reformist course. Thomas Simons reported that the United States intends to intensify its links with the World Bank, not only in the granting of a rehabilitation loan to Ukraine, but in resolving other problems too. There is now discussion about setting up a special support fund.

Leonid Kuchma highly assessed the United States' support for Ukraine and expressed himself in favor of extending cooperation.

Touching on the problem of Ukrainian-Russian relations, the president said that there are forces in Russia which do not want to reconcile themselves to the existence of an independent Ukraine. Leonid Kuchma noted that the problems occurring in the preparations for a wide-ranging treaty with Russia are not Ukraine's fault. They particularly concern the issues of dual citizenship and the inviolability of borders.

Importance of U.S. Support Stressed

LD0702103595 Kiev Radio Ukraine World Service in Ukrainian 2300 GMT 7 Feb 95

[FBIS Translated Text] Ukraine has chosen its path of development and will not leave it; I was again convinced of this during my recent trip to the Donbass, said Ukrainian President Leonid Kuchma at a meeting with a delegation of U.S. Government experts yesterday. Leonid Kuchma stressed the importance of American support particularly now, when Ukraine is experiencing a difficult period.

The president highly assessed the results of his trip to the United States and expressed hope that this visit by the U.S. delegation will be fruitful and will contribute to expanding relations between Kiev and Washington. Most of the meeting took place without [the presence of] journalists.

Kuchma Speaks About Relations With Russia

WS0602132995 Kiev INTELNEWS in English 1954 GMT 4 Feb 95

[Report by Olha Burda and Natalia Olynec]

[FBIS Transcribed Text] Donetsk, Feb. 4—Russian Federation First Deputy Prime Minister Oleg Soskovets will arrive in Kiev Monday [6 February] for talks with President Leonid Kuchma in preparation for the signing of the comprehensive Russian-Ukrainian Friendship and Cooperation Treaty.

The fate of the treaty has recently come into doubt after Russian Federation President Boris Yeltsin seemed to backtrack on the settlement of contentious provisions which Ukrainian officials assumed were already resolved.

"On the part of the Ukrainian president, there are no problems between Ukraine and Russia," said Kuchma after meetings with Donetsk coal mine directors over the weekend. But Yeltsin has recently reopened disputed issues between the two states, namely the exact wording of guarantees of the inviolability of Ukraine's borders and territorial integrity and a provision on dual citizenship.

"On these two points we came to an unambiguous agreement with Boris Nikolayevich. What happened afterwards is a strange thing," said Kuchma.

Yeltsin recently stated that negotiations on the treaty will reach a deadlock if provisions for dual citizenship are not included. But Kuchma is categorically opposed to the concept. There is no norm in international law for dual citizenship, said the Ukrainian president. "This is nonsense which could bring along with it thousands and thousands of problems," said Kuchma, saying the clause would lead to confusion over where armed forces conscripts would be required to serve.

Kuchma added that the recent Russian military action in Chechnya showed the necessity of establishing a professional army in Ukraine.

Kuchma supports leasing the Black Sea Fleet, currently jointly administered by both states, to Russia in exchange for oil and gas supplies. Ukraine does not have strategic interests on international waters, according to Kuchma. He said Sevastopol cannot be a base for a future Russian Black Sea Fleet because, according to international norms, a residential city cannot be the site of a military base.

Political issues will reach a new level of understanding when economic problems are resolved, said Kuchma. "Russia was and should remain our main partner because only together we will succeed in implementing economic reforms," he said. Sour relations between the two states are rooted in Ukraine's inability to pay its debts to Russia. Kuchma lays the blame on the Ukrainian Government which he says still has not worked out a mechanism for making gas debt payments to Russia.

Relations between states in the Commonwealth of Independent States should be conducted on a bilateral basis because the former Soviet republics now find themselves on very different levels of development, said Kuchma.

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"On that I am convinced—that the future of CIS countries is in bilateral relations," said Kuchma citing the example of the long period of time it took for European countries to reach more equal rates of development.

Parliament Shows 'Political Vigor' in Dealing With Russia

WS0602145595 Kiev INTELNEWS in English 0010 GMT 6 Feb 95

[Report by Viktor Zamiatin]

[FBIS Transcribed Text] Last week Ukraine's political scene revealed a tendency, the significance of which seemed not to be duly appreciated by the mass media—this was one of the rare instances in which Ukrainian parliament exhibited its true political vigor.

After parliamentary investigation committee members were excluded from a meeting of the presidential coordination committee for the fight against organized crime, the excluded deputies, having left aside their mutual political antagonisms for a while, unanimously resolved to call for an emergency parliamentary plenary session to decide how to handle the incident. What is noteworthy about the debate over this issue is that the arguments put forward by the deputies questioning the constitutional legitimacy of the presidential administration as such seemed to carry more weight than Presidential Chief of Staff Dmytro Tabachnyk's ackward comebacks.

The arrest of Pavlo Kudiukin, a former parliamentary deputy and former president of the BLASCO shipping concern last week in Moscow is also indicative of parliament's increasingly firm grip since it was parliament that pushed this case. A general impression is that in the fourth year of Ukraine's independence, its legislative branch is still burgeoning and gaining strength. What is certain is that just talking of the need to fortify the executive power will no longer do any good to President Leonid Kuchma. He will have to strengthen it for real, and prepare himself and his team for making serious compromises in the fight over the power bill which may ignite as soon as next week.

Tabachnyk, speaking at a Wednesday briefing, warned about a pending massive reshuffling in the upper echelons of power. The most noticeable repositioning so far is the appointment of Foreign Trade Minister Serhiy Osyka as a deputy prime minister for CIS relations. The agitation fueled by revitalized rumors that a new prime minister was about to be named gradually cooled off, given that neither the Cabinet of Ministers nor presidential officials confirmed the reports. However, resignation of Prime Minister Vitaliy Masol is still a possibility, no matter how many times it has been prematurely advertised by the press.

Given he had retained his post, Masol held talks with his counterpart from Tadjikistan, Dzhamshet Karimov. These talks marked another tendency—Ukraine's attempting to step up its influence within the Commonwealth of Independent States. This observation can be easily substantiated by President Kuchma's recent visit to Georgia. This country, slowly recovering after the war with Abkhazia and from its domestic feuds, has become Ukraine's strategic partner. Turkmenistan President Saparmurad Niyazov's visit to Kiev resulted in the resumption of Turkmenistan natural gas deliveries to Ukraine and the negotiation of a series of very lucrative contracts with Ukrainian enterprises.

Although not much was expected from the Tajikistan prime minister's visit to Kiev, given the country's two-year civil war and very poor economic conditions, he nonetheless managed to sign a trade and economic cooperation agreement exchanging Ukrainian agricultural produce for Tajikistan cotton fiber and aluminum ore. All this shows that the Ukrainian Government's policy is based on consideration of long-term prospects. If this policy is carried out, Russia's influence over the CIS countries may be substantially reduced.

However, the incipient rivalry between Ukraine and Russia may worsen relations between the two countries, which are already troublesome enough. Over the past week, the Ukrainian press remained preoccupied with the repercussions of the events of which occurred the prior week when, on the day after Russian President Boris Yeltsin held talks with Kuchma—apparently in an effort to win a couple of extra points in the eyes of the public—Yeltsin proclaimed that "great Russia" would never sign a friendship and cooperation treaty with Ukraine if it does not provide dual citizenship status for Russians residing in Ukraine. This move reflects something more than the fact that what is called the 'Russian mentality' refuses to accept the very notion of Ukrainian statehood, although Ukrainian diplomats have always had to keep an eye on such an attitude.

The Chechen crisis has put the Russian president into a tough position: either he loses all credibility with his people and leaves the political scene, or he establishes something similar to the former Soviet Union, which could be acknowledged as a return to Moscow's past glory. It is not by coincidence that Russian parliament debates on possible denunciation of the Belovezhsky agreement, which institutionalized the breakup of the Soviet Union, are scheduled for Feb. 8. Neither was it unexpected that the initiative of Kazakhstan and Belarus leaders to join Russia in a customs and, possibly at some point, military and political union, received a more than laudatory response from Moscow.

Despite its dependency on Russian oil and gas, Ukraine does not accede to Moscow's desire to dictate terms. While Tabachnyk recently unequivocally stated that Ukraine would not sign a treaty with Russia if it included a provision on dual citizenship, President Kuchma referred to Yeltsin's remark as a "blunder." Ukrainian Foreign Affairs Minister Hennadiy Udovenko, carefully

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avoiding clear-cut statements, did not go further than hinting that his Russian counterparts "are not necessarily always right."

The most likely outcome is that Russians will hardly see Ukraine as a voluntary member of any union with Russia before the turn of the next century. And not only Ukraine. Georgia and Turkmenistan back Ukraine's view of this problem. It is to a large extent owing to Ukraine's foreign policy that the Commonwealth of Independent States has some alternative prospects for its development.

As for Ukraine itself, if it manages to balance its branches of power, establishes an efficient law-enforcement system and handles the Crimean controversy wisely (which is attainable, given the continuing self-destructive fight between the Crimean president and parliament), it may serve as a paragon for any CIS country, not excluding Russia. But this is only one of many possibilities.

World Bank Chief: West Does Not Want 'Weak Ukraine'

WS0602150395 Kiev INTELNEWS in English 0010 GMT 6 Feb 95

[Report by Serhiy Sokolovskiy]

[FBIS Transcribed Text] Foreign governments and financial institutions are pouring more money into Ukraine as the country makes its arduous transition to a free-market economy. But with a growing US$7.5 billion debt, why is this former Soviet state receiving mass international funding? Answer: Because the West can not afford an economically weak Ukraine, which it sees as a strategic buffer between Central Europe and Russia, and which could—if not given both carrots and sticks—re-emerge as a nuclear power. So while foreign governments and financial institutions used to give money bound by fairly loose guidelines, today more come with strings attached.

"The West does not want a weak Ukraine," said Daniel Kaufmann, World Bank mission chief in Ukraine. "The quicker reforms are implemented the better the living standards will be in Ukraine," he said. "Reforms have to become irreversible."

Nor can Western Governments ignore their own domestic pro-Ukrainian lobbies, such as the nationalistic Diaspora in Canada and the United States. And following President Leonid Kuchma's economic and political reforms, the country looks more stable to all sorts of business investors looking for profitable markets. Ukraine's industrial and agricultural potential should become solvent, thus giving Western investors a unique opportunity to use cheap labor to explore and privatize under-tapped markets.

Political observers say a strong Ukraine could counter Russian imperialism. Interested foreign governments realize financial assistance can be directly tied to strategic policy decisions including stopping nuclear proliferation of Ukraine's nuclear weapon stockpile, developed by the former Soviet Union. This explains, in part, why donor nations will pay Ukraine's energy debts to its big neighbor. "The less the country's energy debt, the less it is dependent on other states," said Volodymyr Kuznetsov, a presidential economic advisor. In particular, Ukraine will be less dependent on Russia and more indebted to the West.

"Western countries understand it is useless to give money to buy food only," said Kuznetsov. From 1992 through 1994 Ukraine was granted credits worth US$860 million, but the majority went to food and material consumption, rather than long-term infrastructure planning and development. Thus foreign investors—including the United States, Canada and the European Community—now tie strict conditions to financial assistance.

The United States' 900 million dollar assistance gives Ukraine, following Russia, the second largest American aid package in the Commonwealth of Independent States. This money is promised on condition that Ukraine proceed with market reform and nuclear disarmament while downsizing Chernobyl nuclear plant—the site of the world's worst nuclear accident.

Canada gave a US$55 million credit pegged to specific projects including Dnipro River environmental cleanup and small businesses financial support.

[illegible]d the European Parliament last December, in a preliminary vote, allocated to Ukraine an ECU [European Currency Unit] 85 million credit worth about US$120 million. But before the European economics and finance ministers approve the loan, several conditions be met, including implementation of an International Monetary Fund standby credit requirement, and implementation of the G-7 plan to shut-down the Chernobyl nuclear power station.

Observers fear political reality means Ukraine is not likely to meet all these conditions in the near future. For instance, the IMF tied its credit to reducing the 1995 budget deficit by 5 percent. But this may be impossible if leftist forces in parliament, who oppose current social service spending cuts, block a low-deficit budget. "We see that the government cut expenses for social needs in the 1995 budget draft. Parliament cannot permit this," said Yuriy Buzduhan, parliament's Labor and Social Policy Committee Chairman.

Moreover, a country immersed in an energy crisis and rising unemployment cannot easily afford to close Chernobyl, which employs thousands of citizens and provides energy throughout the region. And last year parliament canceled its moratorium on commissioning new nuclear power blocks.

Presidential economic advisor Anatoliy Halchynskiy said foreign credits will help cover part of the budget

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deficit. "Some 2 percent of the budget deficit is expected to be covered with foreign credit, another 2 percent with governmental bonds, and only 1 percent with monetary emission," said Halchynskiy.

Yet Ukraine desperately needs overseas money to push forward market reforms. So until home-grown private enterprises can fill the gap between the former Soviet system and the emerging market economy, Western credit—even tied to strict stipulations—is essential.

Because these economic reform conditions are painful and face substantial political opponents, some Western donors are running a parallel credit track, quickly dumping large amounts of money into Ukraine to give progress a boost during the slow transition to capitalism. The World Bank granted Ukraine a rehabilitation loan worth US$500 million for structural reforms, concentrating on trade and price liberalization, privatization an social protection. "Under conditions of economic decline during 1993 and 1994 it is unwise to linger so reforms and financing to support them should go hand in hand," said Kaufmann.

Whether or not Ukrainian state authorities linger, how they handle these investments will be closely watched by foreign donors, some of whom suggest Ukraine's foreign debt could sore to $20 billion by the year 2003. For as long as Kiev spurns communism in favor of capitalism, and a strong Ukraine benefits Western self-interest, donor-nation financial assistance will continue flowing toward the Dnipro.

Dudayev Thanks Nationalist Leader for Support

LD0602171695 Kiev UNIAN in Ukrainian 1250 GMT 6 Feb 95

[FBIS Translated Text] Ternopol—The staff of Chechen President Dzhokhar Dudayev has sent a telegram to Yaroslava Stetsko, president of the Anti-Bolshevik Bloc of Nations (ABN) and chairman of the Congress of Ukrainian Nationalists [CUN], expressing thanks for support of the Chechen people in their just national liberation struggle. Yaroslava Stetsko reported this at a news conference of CUN leaders on 5 February.

"The ABN, Organization of Ukrainian Nationalists, and CUN are directing their main efforts against the war in the northern Caucasus," she said.

According to her, at its last sitting in Munich, the ABN central committee adopted an appeal to the governments of the world with a demand to condemn "Russia's unlawful behavior in Chechnya," and to demand that the Russian Federation Government halts the gross human rights violations in the northern Caucasus, withdraws its troops from there, and places the Chechen Republic under the supervision of UN peacemaking forces.

Yaroslava Stetsko informed the participants of the news conference of the large demonstration in Toronto (Canada) in solidarity with the Chechen people. Picketing of Russian embassies has been carried out by forces of the Ukrainian diaspora in Canada, the United States, Great Britain, and Germany. The Interparliamentary Anti-Imperial Coordinative Committee has been set up in Kiev (deputies from Ukraine, Moldova, Azerbaijan, Belarus, Chechnya, Tajikistan, and the Baltic nations have joined it), which stands up for the right of nations to self-determination.

National Affairs

Prime Minister on Cabinet of Ministers Agenda

WS0702072395 Kiev INTELNEWS in English 0010 GMT 6 Feb 95

[Interview with Prime Minister Vitaliy Masol by Sava Oliferchuk; place and date not given]

[FBIS Transcribed Text] [Oliferchuk] Two meetings were held (Jan. 17 and 19) in the Presidium of the Cabinet of Ministers. What issues discussed are the most important, in your opinion, and what major decisions were made at these meetings?

[Masol] First of all, the state program of privatization was discussed and a corresponding resolution was issued at the first meeting and then submitted to parliament. Second, we addressed some issues related to state border protection. In addition, the situation with municipal public transit, which has become very acute due to the lack of buses, trolleys and trams, was also discussed at the meeting.

The latter problem stems from Ukraine's lack of facilities to produce vehicles for public transportation, although several defense factories which are undergoing conversion and have already started producing such vehicles. The appropriate measures to accelerate this process were discussed at the meeting and a corresponding resolution was passed.

Serious attention was paid to the means of implementation of President Leonid Kuchma's resolution about increasing per capita income and financial aid to poor citizens. The Cabinet of Ministers' Presidium resolved on Jan. 20 to raise pensions and wages of budgetary enterprises and organization employees by 17 percent starting (retroactively) Jan. 1.

As you can see, the Cabinet of Ministers agenda is very diverse and covers various areas of our country's life. Also at the meeting held yesterday we discussed the proposed state budget for 1995 and possible ways to balance it, for currently the budgetary expenditures exceed revenues by large amounts. We resolved that deputy prime ministers must prepare their proposals on how to increase budget revenues and cut expenditures in the current year. We are planning to finalize this issue when the Presidium gathers next week for a working meeting.

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[Oliferchuk] Ukraine's foreign trade deficit, especially that of trade with Russia, is one of the most painful problems confronting the country's economy. What possible ways to close this deficit do you see?

[Masol] Ukraine had a foreign trade deficit a year ago, and it has one now. Unfortunately, this problem is unlikely to be solved in a year, primarily because of the necessity of importing, at least for another five or 10 years, critically important goods and commodities.

Of course, the most essential import is energy and fuel. It is no secret that Ukraine is short of energy resources. That is why we are intensifying geological prospecting in Ukraine, searching for new domestic gas and oil deposits. On the other hand, we still have to do our best to introduce energy-saving technologies.

To reduce the foreign trade deficit, we must increase exports. Still, there is a problem of the so-called non-critical imports, like medicine, on which we spend about US$600 million every year. Coal imports also belong to this category, and if in the past year Ukraine bought US$200 million worth of coal abroad, in 1995 we will need to allocate about US$600 million to finance coal imports. In addition, we will have to import some foodstuffs.

The government ought to do all it can to reduce the volume of non-critical imports. To meet this end, it is necessary to increase domestic medicine, coal and food production. We understand that too many imports will not strengthen the national currency, but rather weaken it.

[Oliferchuk] What construction programs will be closely watched by the government this year?

[Masol] No doubt, incentives must be created to stimulate the construction of new enterprises. For instance, we see the construction of the sixth nuclear reactor of Zaporizhia nuclear power plant as a top-priority project. It will be finished within two or three months, and its completion will enable us to increase domestic energy production and stabilize its supply.

Another project that will receive special attention on the part of the government and ministries, is the construction of a bottle-producing plant with an annual output capacity of 500 million bottles. When complete, the plant will ease the existing situation caused by the short supply of bottles to soft drink producers and retailers.

[Oliferchuk] What are the next steps the government is going to take to further economic restructuring?

[Masol] What I have said actually constitutes economic restructuring. We are creating new production facilities. In addition, we are modernizing metallurgical enterprises and introducing new equipment that meets international standards of quality. We are reducing military potential and running defense conversion programs. As a result, many former defense factories have already started producing goods for civilian consumption. What is also important is to modernize food industry enterprises and increase consumer goods production. We should ensure that more domestic products become competitive on the international market. And again, I want to stress that in 1995 it will be essential to restructure the machine-building industry, which is to supply its products not only to the domestic market, but to the countries of Africa, Asia and the Middle East as well.

The government has to do its best to prevent unemployment from growing in 1995. Therefore, those enterprises which are capable of producing internationally competitive products and exporting their production should be supported first. If we increase budget revenues by means of larger exports, then it will be possible to support other enterprises too. Certainly, many enterprises will have to go bankrupt, but this should not be a mass phenomena.

Rukh Supports Government Headed by President

LD0602165595 Moscow INTERFAX in English 1344 GMT 6 Feb 95

[FBIS Transcribed Text] KIEV, Feb 6 (Interfax-Ukraine)—The small council of the Ukrainian People's Rukh (a moderate Ukrainian nationalist movement-IF note) has said that the solution of the main state problems is possible only if the government is headed by the president.

The statement, which was handed over to Interfax-Ukraine, says that "the state of affairs in the bodies of state power" largely causes the deepening of the crisis in the Ukrainian economy.

Parliament leaders, says the statement, "are attempting to play the role of the head of state or of the head of the executive power". At the same time, believe Rukh small council members, "the existence of the president's administration, the Cabinet of Ministers and Ministries with structures duplicating each other is braking the pace of reforms."

The Rukh meeting on February 4 took a decision to hold a session of the Rukh large council in Kiev on March 4.

New Association To Defend Statehood, Support Kuchma

LD0602202095 Kiev UNIAR in Ukrainian 1615 GMT 6 Feb 95

[FBIS Translated Text] Odessa, 6 Feb (UNIAR)—The aim of forming the new all-Ukrainian association "Understanding" [Porozuminnya] is to consolidate all patriotic forces in the Black Sea region, promote understanding between the various strata of society for the sake of supporting Ukrainian President Leonid Kuchma's policy of radical reforms, and defend Ukrainian statehood. The idea of creating such an association received support in the city. The initiative group of "Understanding" supporters has elected an organizing committee, which is headed by the well-known writer Bohdan Sushynskyy.

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Constitutional Democrats Want 'Constituent Assembly'

LD0602202495 Moscow INTERFAX in English 1848 GMT 6 Feb 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Feb 6 (Interfax-Ukraine)—The Constitutional Democratic Party demands convocation of a "Constituent Assembly" to pass a new constitution for Ukraine, the party leader said on Monday [6 February].

Vladimir Zolotarev, at a news conference in Kiev, rejected the idea of the constitution being approved by parliament, which "is incapable of issuing any consistent act."

He said the existence of a Constituent Assembly, an elected 100-member body, be formalized by a special law or a presidential decree or the returns of a referendum.

Passage of the constitution and "laws for the transitory period" must be the exclusive prerogative of the assembly, which must be "an independent body not vested with government powers," Zolotarev said.

Parliamentarians Work on Nuclear Safety, Budget

WS0602133995 Kiev INTELNEWS in English 1954 GMT 4 Feb 95

[Report by Oksana Hasiuk]

[FBIS Transcribed Text] Following parliament Speaker Olexandr Moroz' urging last week that parliament work harder in committee, Ukrainian deputies this week prepared several bills for consideration by parliament's general assembly. The general assembly meets Feb. 7.

Members of the parliamentary committee on nuclear energy and nuclear safety prepared the second reading of law on nuclear energy use and radiation protection. The bill, which passed in first reading on Dec. 11, 1994, calls for different kinds of ownership for nuclear power plants. But nuclear waste is to remain the exclusive domain of the state, according to the law.

Approval of the law in the first reading stirred strong protests among Ukrainian environment protection organizations and lobby groups for victims of the Chernobyl accident. "The law on nuclear energy and radiation safety was worked out by the strong nuclear lobby in parliament that consists of directors of nuclear power plants. The law has only seven articles about radiation protection and nearly 90 paragraphs related to regulations on nuclear energy use," Yevhen Korobetskiy, head of the Union on Protection of Victims of Chernobyl, told IntelNews. "Our Union submitted proposals on the nuclear energy use law to the parliamentary committee on environmental protection. Basically we proposed that all areas in which nuclear power plants are located be considered emergency zones and that the nuclear power plants' staff have special responsibility for accident prevention," said Korobetskiy.

All of the group's proposals were approved by parliament's committee on environmental protection, but the committee on nuclear energy and nuclear safety discarded them, according to Heorhiy Filipchuk, head of the parliamentary committee on environmental protection. "The law on nuclear energy use and radiation protection should not be passed in the second reading because it allows the continued use of old nuclear reactors," said Filipchuk.

But Mykhailo Pavlovskiy, nuclear energy and nuclear safety committee chair, argued for a quick passage of the law in its second reading when he spoke with the press on Jan. 31. "The law on nuclear energy use and radiation protection has articles about the rights of people, victims of nuclear accidents, and public organizations protecting them," he said. According to Pavlovskiy, nuclear power plants produce 50 percent of Ukraine's electric energy. "We should use old nuclear power plants and gradually put into operation new ones," he added. Parliament is to consider the law on nuclear energy use and radiation protection in the second reading next week.

Parliamentarians are also planning to consider the second reading of the anti-drug bill in the coming weeks. Considering anti-drug measures in the parliamentary committee on fighting corruption and organized crime on Feb. 7, deputies that more responsibility must be placed on drug sellers and pushers.

All parliamentary committees have been considering the 1995 state budget plan proposed by Ukraine's Cabinet of Ministers. Parliament will review the state budget of Ukraine for 1995 on Feb. 8, according to Mykhailo Azarov, head of the parliamentary budget committee. Important changes to Ukrainian tax legislation depend on a swift approval of the government's bill on the budget. A bill on lowering taxes and the second reading of the bill raising minimum wages need to be accounted for in the national budget before they can become law.

Members of the parliamentary committees on key industries, social protection, and cultural issues criticized the Cabinet of Ministers for reducing expenditures from the state budget to social programs and for development of science, education, and the arts. "We cannot permit government to lower pensions and change the average compensation to recipients of Chernobyl funds, as is proposed by Cabinet of Ministers in the 1995 budget plan," said socialist Natalia Vitrenko, member of parliament's committee on social protection during the committee's Feb. 2 consideration of the 1995 budget.

"There will be a big fight in the parliament whether or not to approve the 1995 state budget of Ukraine," said Yuriy Buzduhan, head of the parliamentary committee on social protection. A majority of deputies think the state budget plan for 1995 will not be passed by parliament on Feb. 8.

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But constructive work by deputies was scarred early in the week by a scandal that erupted Monday when the presidential administration shut out 15 deputies from President Leonid Kuchma's Anti-Crime Coordinating Council meeting. The group of parliamentarians, including members of the parliamentary committee on fighting corruption and organized crime and members of the committee investigating the Black Sea Fleet Shipping Company (BLASCO) scandal, accused presidential administration chief Dmytro Tabachnyk of personally sending orders to exclude them from the meeting. The deputies appealed to the parliament Presidium the same day, asking the leadership to take legal action against Tabachnyk because his stance was a violation of the Ukrainian Constitution and the Law of Ukraine on the Status of People's Deputy of Ukraine. Presidium considered their appeal Thursday and ordered the parliamentary legal committee to investigate the incident. The Presidium will decide Monday whether the case should be brought before the general assembly.

Malfunction at Nuclear Plant Reduces Capacity

LD0602172095 Kiev UNIAN in Ukrainian 1345 GMT 6 Feb 95

[FBIS Translated Text] Zaporozhye Oblast—At 2050 on 5 February the capacity of the third reactor of Zaporozhye nuclear power station automatically decreased by half because of a failure in the work of auxiliary systems. UNIAN learned of this at the information center of the Ukrainian State Committee for Nuclear and Radiation Safety. The failure was caused by a malfunction in the supply of lubricating oil to the two main circulating pumps, which ensure cooling of the reactor during normal work of the generating set and the automatic switching off of these pumps. According to a preliminary assessment, this incident is zero level on the scale of assessing events at nuclear power stations.

After the discovered fault was eliminated, loading of the reactor began. At approximately 0900 on 6 February the capacity of the generating set was restored.

The first generating set of Zaporozhye nuclear power station also resumed work on 6 February. It was halted during the night of 3-4 February for planned tests of the system for controlling and protecting the reactor. No observations were made.

Economic Accord With Crimea Signed Amid Problems

WS0602141195 Kiev INTELNEWS in English 1855 GMT 3 Feb 95

[FBIS Transcribed Text] Sevastopol, Feb. 3—On Thursday [2 February] Ukrainian deputies from the temporary committee on the situation in Crimea said Ukraine's current policies towards the autonomous republic will continue as they are despite some unresolved issues. The same day the Crimean parliament adopted a statement urging Ukraine to join a customs union agreement signed by Russia, Belarus, and Kazakhstan at the end of January.

"Crimea's and Ukraine's economies have always been oriented toward Russia's raw materials and its market," reads the statement addressed to the Ukrainian parliament and President Leonid Kuchma. The statement praises CIS leaders whose policy "is aimed at the creation of a common defense system and a common economic space and removal of all customs barriers."

The Crimean parliament urged Ukraine "to accede to the agreement in order to re-establish the broken economic ties and to remove artificial barriers between republics and nations which for centuries have been living together."

Crimean and Ukrainian officials have signed an agreement to improve the peninsula's economic situation, said Ukrainian parliamentary deputy Dmitriy Stepaniuk. Stepaniuk said also that the Ukrainian parliament is paying attention to Crimean policy successes such as the fact that state employees are getting wages on time, and that the problem of supplying fresh water to Yalta is almost solved.

But some problems still remain, Stepaniuk said. "Although the economic management on the peninsula has largely improved after the election of the Cabinet of Ministers, not all the sharp edges have been smoothed," he assessed. According to Stepaniuk, both governments are working out conditions to introduce a free economy to Crimean credit policy and are considering dividing property rights between both governments. Ukrainian deputies believe Black Sea Fleet [BSF] commanders are incapable of selling BSF property.

Also reported was a link between Sevastopol council authorities and organized crime, who illegally sell ferrous and non-ferrous metals, oil products, and raw materials.

Crimean President Marks First Year in Office

WS0602143495 Kiev INTELNEWS in English 0010 GMT 6 Feb 95

[Report by Lilia Budjurova]

[FBIS Transcribed Text] Simferopol, Feb. 4—A year has come and gone since Yuriy Meshkov was inaugurated as Crimea's first president, days after winning an overwhelming mandate from the people of the autonomous republic in a second round runoff vote.

Although at the time a bright political future seemed assured for Meshkov, one year later he stands stripped of much of his power by a legislature with which he failed to find common ground and by a population that has largely lost faith in him.

At a meeting dedicated to the Saturday anniversary of Meshkov's presidency, the embattled president put the blame for his troubles on Crimea's parliament, which he

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accused of setting obstacles in the way of the introduction of the presidency on the peninsula.

"This was done despite the fact that the majority of the republic chose to introduce such a progressive institution of democracy," he told an audience of 500 supporters who had gathered in Simferopol's Trade Union Palace.

At the meeting, Meshkov was flanked by Crimean parliament Speaker Serhiy Tsekov and Deputy Speaker Aleksey Melnykov, close allies who in the past year have become his bitter political opponents.

"None of the political forces in Crimea and in Ukraine, including the official authorities, have argued against the fact that the president had been elected nationwide," he said. "Unfortunately, certain forces managed to provoke conflict between the branches of power, which has definitely slowed down the reform process," the Crimean president continued.

"This opposition made possible for some forces outside the peninsula to launch an attack on our statehood," Meshkov said.

The Crimean peninsula, whose 2.5 million people are overwhelmingly Russian, has been actively agitating for separation from Ukraine and closer ties with Russia since the breakup of the Soviet Union in which they played a key part by supporting Ukrainian independence by a narrow margin. The area was part of Russia until 1954, when Soviet leader Nikita Krushchev presented it to Ukraine as a gift.

Meshkov said he did not betray his program and reaffirmed to the audience that it would be implemented if he was left unhindered to carry it out. The president said his main task was "development of economic and legal independence of the Crimea."

"The Crimean people unanimously support me," he said, despite the fact that he continues to sink in the polls. According to the latest survey by the Crimean Humanitarian Research center, only 10.2 percent of Simferopol residents would give their votes to Meshkov if they could make their choice over again.

Economic Issues

Country Having Difficult Time Paying Gas Bills

MK0702114095 Moscow KOMMERSANT-DAILY in Russian 7 Feb 95 p 3

[Report by Oleg Grechko: "Energy Problems of Russia and Ukraine. Kiev Tries To Be in Command of Gas"]

[FBIS Translated Text] Ukraine's economy is in serious crisis over the lack of energy resources. When supplies of Turkmen gas stopped for two months, the republic's metallurgical industry all but ground to a halt. The authorities are trying to reverse the situation using their own methods. Yesterday, Ukraine's Goskomneftegaz [State Oil and Gas Committee] cut off natural gas to 1,123 enterprises which have run up a debt of $500 million to this agency, and Ukraine President Leonid Kuchma made a decision to remove Bohdan Klyuk as "Ukrgazprom" joint stock company chairman of the board.

The recent two-month-plus shutdown of gas to Ukraine by Turkmenistan entailed an almost complete stoppage of the republic's metallurgical enterprises. In the meantime, what these firms produce is what mainly earns hard currency. For that matter, not only the metallurgical industry but also all other industries were paralyzed. Malicious tongues say that Leonid Kuchma was only told about the gas cut one month after it stopped flowing.

The treaties signed during Saparmurat Niyazov's recent visit to Kiev provide for supplying some 20 billion cubic meters of gas to Ukraine (an amount consumed by Donetsk Oblast annually) in 1995. Ukraine is to pay for 40 percent of the gas in hard currency and for the balance in consumer goods, products of the chemical and aircraft industries. The two countries' presidents also agreed on a schedule for the repayment of Ukraine's debt to Turkmenistan for gas supplied last year. The total debt of $800 million has been formalized as a seven-year credit.

Ukraine will also have to pay penalties to Turkmenistan, some $52 million for the Ukrainian "Respublika" corporation's failure to pay for Turkmen gas in Ukrainian goods as authorized by the cabinet of ministers. (Russian energy is paid for by the "Slavutich" concern). It is impossible at the moment to suspend the operation of "Respublika" because goods worth nearly $100 million are currently on their way to Turkmenistan. In the future, the "Ukrresursy" joint-stock company, recently created on the basis of the State Committee for Material Resources, will be paying for Turkmen and Russian energy resources.

Whereas Ukraine can provide only between 18 and 21 percent of its own gas (18 billion cubic meters), its production last year fell 5 percent. The main sources of gas are Russia and Ukraine. Imports of Russian gas fell 26 percent last year.

Last summer, an agreement in principle was reached, which still remains on paper, to create a Russian-Ukrainian joint-stock company to build and, in the future, to jointly run export gas pipelines. Ukraine is supposed to shoulder their construction, thus repaying part of its debt to Russia. An additional export branch line of 120 km to the south is planned, to increase the throughput of the existing pipeline to Romania and on to Bulgaria, Turkey, and Greece. It is these importers that "Gazprom" regards as promising. Taking part in exporting, Ukraine may get a certain part of the profits proceeding from a single pricing policy. True, all these things are possible only if the volume of export rises considerably and the sides agree to a higher cost of transit services. Other experts categorically deny the wisdom of this project, believing that it will not pay even in the distant future. The experts fear most of all that

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Russia's part in setting prices and its right to own the gas pipeline are going to reduce to naught the role of the Ukrainian gas agency.

In the meantime, "Ukrgazprom" insists that the government convert its debt into state debt and raise the price of gas. These measures are expected to enable the repayment of its debts for two years at the maximum. Neither the Ukrainian Government nor "Gazprom" agree with this option to date.

Kuchma Seeks Support for Agricultural Reform

LD0602215195 Kiev UT-1 Television Network in Ukrainian 1900 GMT 6 Feb 95

[FBIS Translated Excerpt] The role of agrarian science in the implementation of the new economic policy was discussed today at a session of Ukraine's Academy of Agrarian Sciences general assembly, attended by President Leonid Kuchma. [passage omitted]

[Begin Kuchma recording] I absolutely agree with the view voiced here that the agrarian sector of the economy is not only a priority but a key factor in the revival of national economy, the main locomotive of pulling our state out of the economic crisis, stabilizing and eventually, in the near future, improving the living standards of our people.

You may have heard me also say in Lugansk that Ukraine's revival must begin in the countryside. For me as the president, and, I believe, for society on the whole, there is something else that is also important now. First of all, it is the organization and development of our movement toward achieving as soon as possible a breakthrough in Ukraine's economic development, radically changing the situation for the better, and improving the living standards of our people. I am making every effort so that at least a tiny improvement in people's lives could make itself felt in the very near future. I would like to stress, and it is of crucial importance to me, that the scholars of the Academy of Agrarian Sciences have contributed greatly to the development of agrarian policy guidelines currently implemented by the executive authorities. I am sincerely grateful for this. Essentially, the modern policy of agrarian reform was substantiated by the scientists of your academy.

There is now much talk about using foreign consultants on certain economic policy issues. Such assistance is necessary. But I have always believed that our activities should rely on the help of our own rather impressive scientific potential. This is the main guarantee that specific peculiarities of our economic development will be fully taken into account as one determines the tactics and strategy. We need to put more trust into our own scientists, strengthen our science in every way, and rely first of all on our own scientific potential. With this in mind, I have instructed the Finance Ministry to prevent at all costs any reduction this year in spending on science, despite all the difficulties of forming the budget. I hope the Supreme Council, which approves the budget, will support this consideration.

You know well that we have taken the path of resolute reforms. The days of biding our time are long gone. Our habit of marking time has already caused great losses to our society. Today we are faced with the problems that could have been solved at a much smaller cost back in 1992-1993. We are two or three years behind with the reforms. To do it now, in the conditions of a deep crisis and virtually complete financial exhaustion of the economy, is very difficult. But we must move forward in any circumstances, persist in the creation of a modern economy, and strengthen our country's economic sovereignty and independence. The problem is that the entire arsenal of means to stimulate agricultural production, that were effective at least to some degree in the old economic system, has now been exhausted. During the last four years we tried to solve problems by old means, and nothing came out of it. The crisis in the countryside continued to deepen, and now it not only has become dangerous, but has reached a dead end. I assume you are aware of it no less than I am.

Given this situation, there is only one way left: to use reform methods, based on new ownership relations, new economic structures, and new mechanisms regulating agrarian relations. That which we are initiating today has a fundamental basis. It was born of our peasants' suffering and is irreversible. Therefore, we need to study thoroughly our own cumulative experience and rely on it. In this, our science has the most to say. [end recording] [passage omitted]

Social Democrats Demand Minimum Subsistence Level

LD0602204795 Kiev UNIAN in Ukrainian 1830 GMT 6 Feb 95

[FBIS Translated Text] Kiev—"The increase in prices in Ukraine is proof that reform as a purposeful process in the state is absent. The reform policies of Vitaliy Masol and Viktor Pinzenik boil down to the implementation of ultimatums and antisocial demands by the IMF in order to receive foreign credits," reads an appeal circulated on 6 February by the board of Ukraine's Social Democratic Party [SDPU] in connection with the increase in prices for housing and municipal services, electricity, and transport fares. The authors describe as "cynical" the authorities' neglect of the elementary requirements of the people "against a background of an unprecedented enrichment of Ukraine's oligarchical leadership and the administrative and economic leaders of all levels."

The SDPU has announced that the only way Ukraine can extricate itself from the crisis is through an active policy of supporting the population's incomes and tangibly increasing salaries that "would lead to an expansion of the domestic market and growth in output." The SDPU proposes to establish a lower limit on minimum salaries, which should be no lower than the subsistence level and also determine such a limit separately for each sector having envisaged this decision in the state budget.

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Belarus

Lukashenka Issues Edict on Unauthorized Privatization

LD0602220095 Moscow ITAR-TASS World Service in Russian 1530 GMT 6 Feb 95

[By BELINFORM correspondent Tereza Khayutina for ITAR-TASS]

[FBIS Translated Excerpt] Minsk, 6 Feb—An edict of Belarusian President Alyaksandr Lukashenka "On Preventing Unauthorized Privatization in the Republic" has been published here today. The head of state rescinds by this document a number of resolutions by the Minsk city executive committee entitling private individuals to buy certain shops and services at prices intentionally kept below normal and without observing appropriate legal provisions. [passage omitted]

Trade Union Protest Deemed 'Political Intrigue'

WS0602131195 Minsk BTK Television Network in Belarusian 1900 GMT 25 Jan 95

["Exclusive" statement by President Alyaksandr Lukashenka to the Information Agency of the National Television and Radio Company; place and date not given—recorded, in Russian]

[FBIS Translated Text] Say, can we find money in the [Freedom] square [site of planned protest by the Federation of Trade Unions] today? Can we find production in the square today? Never in my life. I regard this as an awful political intrigue. The trade unions cannot behave like that today, especially those which are called official ones. They cannot behave like that. They understand and see what is going on in the economy.

Look, it is already 10 or 12 days since the ruble has been stabilized. If the ruble is stabilized, then prices will also be stabilized. But if we make the political situation explode, if we stir up the situation in the Republic of Belarus, nobody will talk with us. Nobody will talk with an unstable society or an unstable government.

Regarding an increase in prices for foodstuffs, I stopped them before the New Year. What have we got? We have a situation in which many kinds of foodstuffs have begun to disappear. They were simply taken out, across the Republic's borders.

Besides, we are facing the sowing campaign. Today peasants say: We will sell neither meat nor milk unless the state pays us appropriately. What should I do? I should give peasants the right to sell meat and milk at such prices which are acceptable by them today. But, speaking frankly, I still hesitate. That is why we are miserable.

Besides, I have often, very often, spoken: My dear ones, look, we are living in a different situation. The main thing for us today is to feel warm, but this costs a pretty penny. This is very expensive, but we pay everything to the last kopek. Nobody will provide us with electricity or oil on credit. Therefore, this is a difficult period today.

There is a different matter here, however. Parties, movements, deputies, and trade unions have today decided to recoup themselves at the president's expense. They surely understand what is going on. Tomorrow we will have parliamentary elections. One needs to show oneself as the defender of the people. As soon as parliamentary elections are over, they will sit in their deputy chairs and forget what they promised, while the president and the people will be left to deal with problems one to one.

Deputy Premier on Need for Foreign Aid

WS0602133095 Minsk NARODNAYA GAZETA in Russian 18 Jan 95 p 1

[Report by Uladzimir Samoylaw: "We Are Experiencing an Upswing, But If the West Does Not Assist Us, Further Growth Will Be Impossible"]

[FBIS Translated Text] **The title of this article approximately reflects the logical order of conclusions drawn by Deputy Prime Minister Valeriy Kokaraw during a regular news conference devoted to the results of last year's work and prospects for the new year.**

This is bewildering logic. On the one hand, it was optimistically stated that in December 1994, for the first time, we surpassed the rate of growth of industrial output as compared to December 1993. In addition, the rate of slumping production began to decrease noticeably between August and December. Furthermore, the industrial sector is experiencing an upswing, even though proceeding from a minimal volume of output.

On the other hand, a bolt out of the blue: "In January we will still be up to some tolerable standard, but if the question of foreign investments from the IMF, World Bank, and other financial organizations is not resolved, further development will certainly be complicated." Plus, on a more tragic note: "As of today, industry has reached its peak in using domestic reserves, and a further increase in its output volume without foreign investments is practically impossible."

As is known, negotiations with the IMF and other foreign organizations are being held with variable degrees of success, since the primary condition for allotting credits is economic reform, which we have put in a tight corner. Even our own anti-crisis program is silently being forgotten by us; at any rate, it was preferred to not speak about the progress of its implementation at the news conference. According to the majority of serious experts, its implementation will be drawn out over an indefinite period of time. For what reasons should Western investors, as early as in February-March, begin actively supporting our economy, which we ourselves are successfully ruining?

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Instead of answering this very important question, it was stated at the news conference that "certain political situations very seriously impact the activity of enterprises." Deputy Prime Minister V. Kokaraw said that there are "direct incitements, appeals to reorient and retool the industrial sector, which are impossible to implement given the current situation." Therefore, some leaders of enterprises say that they will be forced to address the president that "a normal political situation should be introduced."

Try to understand these allusions! Can a news conference be convened only to obscure the issue to the public? Or, perhaps to prevent us from seeing in this obscurity what the government is actually doing?

Deputy Prosecutor General on Alleged Government Corruption

WS0702072195 Minsk CHYRVONAYA ZMENA in Belarusian 21 Jan 95 p 1

[Interview with Uladzimir Kandratyevich Kandratyew, first deputy to the Belarusian Prosecutor General, by Syarhey Zayats; place and date not given: "Since the Presidential Administration Was Officially Established, Its Representatives Have Not Been Involved in Any Corruption"]

[FBIS Translated Text] [Zayats] **Uladzimir Kandratyevich, SVABODA has reported that the Republican Prosecutor's Office has filed a lawsuit against it accusing it of publishing a satirical poem entitled: "Luka Mudzishchaw Is President." How much does this report correspond with reality?**

[Kandratyew] Yes, the Republican Prosecutor's Office has instituted criminal proceedings, however, not against the newspaper itself—as a legal entity—but because the newspaper published the above-mentioned poem. According to the opinion of the Prosecutor's Office, this poem has damaged the honor and dignity of the Belarusian president. Even though the poem did not specify A. Lukashenka's name, my colleagues came to the conclusion that the abusive language used unquestionably concerns the leader of our state.

The president has not instructed the Prosecutor's Office to institute criminal proceedings against the newspaper for publishing such a poem. A. Lukashenka—as a representative of state power—could not submit a request to the Prosecutor's Office to investigate the matter. According to the existing Criminal and Criminal Procedure Code of Laws, only a private individual can do this. The Prosecutor's Office itself has adopted a decision to institute criminal proceedings because the newspaper published the poem.

We forwarded a letter to the president on 9 January, in which we reported to the leader of the state that we had instituted criminal proceedings in the case. I do not know the president's reaction to this issue. The Prosecutor's Office has authorized Valeryy Kamarowski, investigating officer for particularly important cases, to monitor developments. It will be up to him to resolve the issue by answering the question of who is the true author of the poem —who hid under the pseudonym of Vedzmak Lysahorski. Experts in art and literature will be involved in this project. They will draw a conclusion as to whether or not the satirical poem should be regarded as an attack on the president. If experts assess the poem as a case of abuse of the president, criminal charges could be brought against the author of the poem.

[Zayats] **Has the Prosecutor's Office checked out the facts which People's Deputy Syarhey Antonchyk presented in his report to the Supreme Soviet—devoted to alleged corruption in the Presidential Administration?**

[Kandratyew] Our officers are currently examining 53 facts which were presented by the leader of the Belarusian Independent Trade Unions. Investigating officers will be able to announce their final decision as early as late February. Some 70 percent of the facts, which were presented in the report, were known to our officers. We had conducted an investigation into a few cases. We even brought criminal charges in a few other cases. I have to admit that Syarhey Antonchyk is himself actively assisting the Prosecutor's Office in investigating cases. He has supplied investigating officers with numerous documents which are necessary for our work. I can state with complete confidence that since the Presidential Administration was established officially, its representatives have not been involved in any acts of corruption. Let us take, for example, Ivan Tsitsyankow, chief of office work in the Presidential Administration—against whom most claims have been laid—who had resigned officially from all managerial posts in commercial structures, which he had established, by the time he was nominated to a new post.

The Prosecutor's Office is also examining the documents which [former] Deputy Prime Minister Viktar Hanchar submitted to the State Committee for State Security before his resignation. These documents had been submitted to the Prosecutor's Office. They should be detailed by a former member of the Cabinet of Ministers. We have sent him a few requests asking to come and talk. V. Hanchar, however, has not responded to any of them. Nevertheless, our officers have not let the facts—cited in the documents—go unnoticed. Most of them were repeated in S. Antonchyk's report.

[Zayats] **At what stage of investigation are the cases connected with the press: "white areas" in newspapers, the refusal by the leadership of the "Belarusian Printing House" to prolong contracts with a few nonstate publications?**

[Kandratyew] As for checking out the facts pertaining to the ban on publishing S. Antonchyk's report in mass media, the Prosecutor's Office has already submitted its own official opinion on the matter. The statement admitted that the ban on publishing the report had

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violated human rights regarding timely access to information. There are specific indications of corpus delicti in the actions of Alyaksandr Fyaduta, former chief of the Office for Civil and Political Information, who instructed the leadership of the "Belarusian Printing House" to not publish newspapers with S. Antonchyk's report. Such actions, however, according to the conclusions of the Prosecutor's Office, do not give sufficient grounds to institute criminal proceedings against him, because the ban on publishing the report was of a temporary nature, until the facts provided by the report are checked out. Such actions, however, cannot be regarded as inflicting serious damage on the rights and legal interests of citizens.

Our officers are also conducting an investigation into such a case as the legality of the dismissal of the SOVETSKAYA BELORUSSIYA chief editor [Ihar Asinski], who was fired from his post for financial violations by way of a presidential edict. Supreme Soviet People's Deputies Henadz Kazlow and Syarhey Antonchyk, as well as Ihar Asinski himself, have initiated an investigation into the case.

The Prosecutor's Office is also studying the issue of whether the refusal to prolong contracts by the leadership of the "Belarusian Printing House" is legal.

Opposition Leader Promises to 'Sever Moscow Ties'

MS0602141895 London THE TIMES in English 4 Feb 95 p 15

[Report by Eve-Ann Prentice, incorporating remarks by Zianon Pozniak, leader Belarussian opposition Popular Front: "Opposition Leader Promises to Break Belarussia's Links With Moscow"]

[FBIS Transcribed Text] Belarussia will risk Russia's wrath and sever ties with Moscow if the opposition Popular Front wins elections on May 14, Zianon Pozniak, the front's leader, said.

"We need to break from Russia... a criminal, bureaucratic state," said Mr Pozniak, whose party is believed to be gaining popularity and who is in London meeting MPs, police and education officials at the Government's invitation. Minsk, the Belarussian capital, is capital of the Commonwealth of Independent States—the loose economic and security group comprising all the former Soviet republics except the Baltic states—and Mr Pozniak promised to take his country out of the CIS if he wins.

"We have to prepare our own people for a siege by Russia," he said. "I know for sure that Russia would consider invading Belarussia. All telecommunications, roads and railroad networks from Russia to the West go via Belarussia. We also have an important nuclear early-warning radar system," he said.

The elections will be the first parliamentary poll in Belarussia since the country declared independence from the Soviet Union in August 1991. They will be a key in helping to decide whether the country develops a market-reform economy, or reinforces cultural ties with Moscow. Parliament has been dominated by communists, but some observers believe that the Popular Front is gaining ground in traditional communist strongholds in the countryside.

In what may be a sign that President Yeltsin is concerned about the prospect of a Popular Front victory, the Russian leader is to lead a delegation to Belarussia this month to sign a new friendship agreement with President Lukashenko, who was elected last July. Mr Lukashenko this week called for a referendum, to be held at the same time as the parliamentary elections, to decide whether the old Soviet symbols should be reinstated on the nation's flag and whether Russian should rank alongside Belarussian as a national language.

Mr Pozniak said: "The chances of Russia becoming a democratic state are bleak. The impoverishment of the people makes the Government look for an external enemy, such as Chechenya. It is like Afghanistan again; they have imperialistic intentions. The Popular Front hopes to build a democratic state, regarded as mature and along the lines of those in Western Europe."

The opposition leader believes, however, that Minsk will not become another Grozny. "I know our nation and our people, we are not violent by nature.

"Yeltsin got where he is by slogans," Mr Pozniak said. "He is an old party communist and has the old mentality. He is good at leading from the top of a tank."

Komsomol Leaders Agree To Hold Congress

WS0702104995 Minsk Radio Minsk Network in Belarusian 0800 GMT 7 Feb 95

[FBIS Translated Text] Heads of the Communist Unions of Youth from Belarus, Ukraine, and Russia held a working conference in Minsk. They examined the issue of cooperation between the three unions and agreed that a congress of republican Komsomol organizations operating on the territory of the former USSR will be held in fall 1995 in Moscow.

Moldova

Russia's Lebed Refuses Comment on 'Smirnov Decree'

LD0602165095 Moscow INTERFAX in English 1344 GMT 6 Feb 95

[FBIS Transcribed Text] TIRASPOL, Feb 6 (Interfax)—Commander of the 14th Russian Army, Lieutenant-General Aleksandr Lebed, has refused to comment on the decree of the president of the self-proclaimed Transdniestrian Moldovan Republic Igor Smirnov, which hampers the implementation of the Russian-Moldovan

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agreement on the army pull-out from the region. The agreement was signed between Moldova and Russia on October 21, 1994.

In an interview with Interfax, Lebed said that he has his own opinion on the army pullout and had voiced it several times.

"As to the Smirnov decree," said Lebed, "it is not published and I cannot say whether it does exist. Probably, the Smirnov services launched a ballon d'essai to see what the reaction would be. I am refraining from any comments until I see the document."

The press secretary of the president and government of Transdniestria, Yelena Yefimova, told Interfax that the decree was signed but it will come into force from the moment of publication. She said that the decree will be published shortly.

The decree prevents the withdrawal of technology, armaments and ammunition and other material values from Transdniestria. Yefimova said that the decree was signed "proceeding from the interests of the protection of property of the Transdniestrian Republic and with account to the Moldovan-Russian agreement on the army pullout, and ignores the interests of Transdniestria."

According to the decree, ministries, committees, departments, enterprises and individuals are prohibited to help in any way the withdrawal of the 14th Army's technology and armaments from the region.

Pro-Moldova Movement Leader on Romanian Relations

AU0602175995 Chisinau BASAPRESS in English 2159 GMT 3 Feb 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 3/2/1995—Pro-Moldova Movement Leader Arkadiy Dzyubinskiy thinks that the activity of the Moldovan and Romanian pro-unionist forces mar the good relations between the two states. Dzyubinskiy told BASA that as long as there is danger that Moldova will join Romania, on the both banks of the Prut River various movements will emerge which will increasingly plead for the constitution of Great Moldova composed of regions in Romania and Moldova. Dzyubinskiy said that "the Pro-Moldova movement rejects this idea, though we were contacted on this matter by Romania. We think that today we have to establish good relations with our neighbor based on mutual respect of sovereignty and independence." The Pro-Moldova leader also said that the movement aims to "assist people in defining their awareness of being Moldovans, and to become aware of the need to use the term 'Moldovan'." Dzyubinskiy said that the Pro-Moldova Movement was registered by the Ministry of Justice as "a public patriotic movement" on 13 January 1994. He also stated that the Moldovan Communist Party, the Moldovan Social-Democratic Party, the Socialist Party, and other individuals without any other membership are members of the Pro-Moldova Movement.

Fuel Imports Drop Owing to High Prices, Low Purchase Power

AU0602175795 Chisinau BASAPRESS in English 2159 GMT 3 Feb 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 3/2/1995—In 1994 Moldova imported 148,000 metric tons of gasoline, which is by 133.6 percent more than in 1993, states an Economics Ministry communique. 370,100 metric tons of diesel oil (by 25 percent less than in 1993), 506,700 metric tons of fuel oil (51.5 percent less), and 2,986.3 million cubic meters of natural gas (3.1 percent less) were imported in 1994. Sources from the Energy Resources and Gas Supply Department told BASA that energy resources imports dropped due to high prices raised up to the world level charged by Russia, and the economic companies decreasing purchasing power. The decrease in imports was also influenced by the high debts for energy resources evaluated by officials at 991 million lei ($247 million) early this year.

Ministry Reports 25.9% Increase in Crime

AU0602175895 Chisinau BASAPRESS in English 2159 GMT 3 Feb 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 3/2/1995—Yesterday, Moldovan Interior Minister Constantin Antoci held a press conference. He said that in 1994 the crime rate increased by 0.6 percent, while the number of serious crimes soared 25.9 percent as compared with 1993. According to Antoci, the losses caused by criminals amounted to $75,000. Victor Gusleacov, vice interior minister, stated at the conference that during the second half of 1994 many policemen quitted as a result of the rumors that the privileges stipulated by the police law will be annulled. General Gusleacov noted that this law will not be modified. Antoci specified that the Interior Ministry has debts worth 20 million lei, and the budget allotments worth 120 million lei do not cover the police's needs. He said that the ministry has received no assistance from abroad, except two devices for measuring blood pressure. General Antoci denied the rumors that he might resign soon and be appointed ambassador.

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Kazakhstan

Nazarbayev on Fuel Export, Upcoming Summit

954F1184A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 2 Feb 95 p 1

[Article by KAZTAG correspondent Gennadiy Kulagin under the rubric "President, Government, Parliament": "Kazakhstan Will Become a Major Oil and Gas Exporter"]

[FBIS Translated Text] President Nursultan Nazarbayev returned to Almaty from the Swiss city of Davos late in the evening of 31 January, where he had participated for the third time in the annual session of the World Economic Forum.

The most prominent businessmen and political leaders who attended the current forum from all continents were particularly interested in the problems of the oil business and prospects for the development of this sector, which plays an exceptionally important role in the global economy, and these were discussed at a special seminar. The head of our state was one of the key speakers at this seminar.

He said that sovereign Kazakhstan is an agro-industrial country with a sufficiently developed infrastructure and a rich industrial potential. One of the leading sectors in the republic is the fuel and power generation complex. Research conducted by World Bank experts classified this sector as one of the most attractive from the standpoint of investment and loans.

Because of the current intense struggle in the world for economic survival and expansion of spheres of influence in oil and gas markets, European countries are making an effort to ensure unimpeded flow of energy resources to the continent. The key idea in this respect is the creation of a European energy charter. The participation of CIS states, first and foremost Russia and Kazakhstan, enables Europe to find an alternative to OPEC countries. That is why, emphasized N. Nazarbayev, investment of foreign capital in our republic's economy is clearly justified.

The reserves already prospected on the territory of Kazakhstan include 160 deposits of hydrocarbons, which contain 2.1 billion tonnes of oil, 0.7 billion tonnes of gas condensate, and 1.7 trillion cubic meters of natural gas. In addition, predicted resources both on dry land and in the Kazakhstan sector of the Caspian sea are estimated to contain 4.5 billion tonnes of oil, 1.6 billion tonnes of gas condensate, and 5.9 trillion cubic meters of natural gas.

The republic has immense potential for increasing production of hydrocarbons. The total volume of direct investment on projects related to development of oil deposits is estimated at $32.3 billion, and to prospecting of hydrocarbon resources—$8.2 billion.

Kazakhstan also has sufficient human resources for continuing development of the sector. Our engineers and specialists are fast learning Western equipment and technologies and are on a par in every respect with their Western colleagues.

Thus, the president summarized, Kazakhstan may and should be viewed by the world community, first of all European, as a future major producer and exporter of oil and gas. It is expected that at the huge Tengiz oil field alone, with respect to which a development agreement has been signed with the Chevron Corporation, oil production will exceed 30 million tonnes by the year 2000. A contract with foreign companies is ready for signing with respect to another unique gas condensate deposit—Karachaganak. Fourteen joint enterprises already operate in the sector. Exploration is being done in the Kazakhstan sector of the Caspian Sea. The laws adopted in the country are stimulating Western investors' interest and provide the necessary guarantees for them; besides, the laws will be further improved.

At the same time, N. Nazarbayev said, the crucial question for the republic is transportation of the raw materials produced. The key approach to resolving the problem of exports will be implementation of the Caspian pipeline consortium's project. It includes, in addition to Kazakhstan, the Russian Federation and the Sultanate of Oman. The pipeline will run from the Tengiz oil field to the Black Sea port of Novorossiysk. Oman has undertaken the obligation to finance the project. Chevron is willing to allocate $700 million and bring in other investors and potential pipeline users to finance it. Keeping in mind the goodwill of the European Bank for Reconstruction and Development, it is also invited to finance the project.

We are devoting a lot of attention, the president said, to the construction of an internal pipeline capable of delivering our own crude oil to refineries in the eastern part of the country. There are also several promising pipeline projects that will enable Kazakhstan to reduce its dependence on gas deliveries from other countries, resolve the transportation problems of British companies British Gas and Agip at the Karachaganak deposit, and ensure the supply of gas for industrial and power generation enterprises.

The Kazakh leader wished potential investors greater activism in working with the republic. Especially considering that our country with its large potential has everything it takes to become an industrially developed country, building economic relations with other countries as an equal in a way lucrative for them and for itself.

Right there, at the forum's conference center, N. Nazarbayev held a press conference for a large group of foreign journalists. Answering numerous questions, he said, in particular, that the idea of creating a Eurasian union [EAS], which he had originated, has already found many supporters in both CIS countries and the far abroad, and is supported by the United Nations. Precisely because the boundaries of such a union are not limited to the Commonwealth borders but envisage the

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possibility of any European or Asian country joining. EAS ideas are already having a positive impact on the development of integration processes in the CIS. Their spirit is reflected, for instance, in 17 Kazakh-Russian documents recently signed in Moscow by the heads of both states.

The president said that he supports discussing the question of signing at the CIS summit meeting, to open in Almaty on 10 February, a pact of peace and accord inside the Commonwealth. This initiative of his was prompted by the situation in Chechnya, said N. Nazarbayev. We in the CIS can work more actively on preventing such a development of events, and this requires first and foremost goodwill on the part of politicians. Close integration, the president believes, will enable us to avoid future bloodshed. A common economic space strengthens trust between states, and therefore between people, and permits a coordinated foreign policy.

Speaking of the necessity of developing the ties between Kazakhstan and Russia in every way possible, N. Nazarbayev lamented on the subject of customs barriers between the two countries, which last year resulted in Russian exports to Kazakhstan having declined by 60 percent, and Kazakhstan's exports to Russia—by 30 percent. As a result, both sides lose, while the republic had to look for new markets.

To one question the president replied that Kazakhstan cannot accept either pan-Turkism or pan-Islamism: It has is own unique way due to the country's special conditions.

While the Kazakh leader was in Davos he held several other meetings in addition to those mentioned above.

In a conversation with Mr. Murofusi, president of Itochu—one of Japan's leading companies—all issues were finalized with respect to deliveries of production equipment for reconstruction of the Karaganda Metallurgical Combine.

N. Nazarbayev received Jacques Soros—head of the international foundation for support of developing countries. During the meeting J. Soros said that his foundation will soon open a branch in the capital of Kazakhstan. It will provide support for the system of education in the republic, first and foremost to the Institute of Management, Economics, and Forecasting (KIMEP); it will also set up its own business school in Almaty. The Soros Foundation will assume one-third of the cost of these undertakings, and will try to bring in other investors to provide full financing for the aforementioned projects.

The president also had contact with a number of heads of the largest world companies.

Poll Shows Majority Favor Union With Russia

LD0602163595 Moscow ITAR-TASS in English 1420 GMT 6 Feb 95

[By ITAR-TASS correspondent Vladimir Akimov]

[FBIS Transcribed Text] Almaty February 6 TASS—At least 86.7 percent of respondents in Kazakhstan said that the union with Russia is necessary for maintaining their country's independence.

Almaty's Institute of Public Opinion conducted a poll in Kazakhstan's 90 cities, towns and villages. According to the poll, to a question whether they agreed that the union with Russia is necessary for maintaining Kazakhstan's independence, 86.7 percent of respondents answered affirmatively, while answers of 7.8 percent were negative.

Media 'Distortion' of Plant Accident Refuted

LD0602185595 Almaty Kazakhstan Television Network in Russian 1500 GMT 6 Feb 95

[FBIS Translated Text] The republic's atomic energy agency has issued a statement in connection with reports by a number of Almaty and foreign media organizations on an accident that allegedly took place at the Mangystau power plant in the city of Aktau. The document, which KAZATAG has received through official channels, describes these reports as distortion and conjecture derived from the facts that actually took place at the BN-350 nuclear reactor.

The statement says that an oil leak from a pipe used to gauge the pressure of the reactor's circular pump took place while it was being run in, checked and balanced after the seal on its shaft had been changed, one of a number of preventive operations conducted at the same time. The BN-350 was not functioning at the time. It had been halted for planned and scheduled preventive repairs. Under the classification system of the International Atomic Energy Agency an incident of this kind is given a zero grading and classified as having no influence whatsoever on safety.

The agency's view is that the Almaty and foreign journals wrongly interpreted a report that appeared in the Aktau newspaper MESTNOYE VREMYA on 17 January. That report came from the information and public relations council operating at the Aktau power plant.

Kyrgyzstan

Akayev Comments on Elections, New Parliament

LD0602180295 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 0000 GMT 6 Feb 95

[FBIS Translated Text] As you know, an election to Jogorku Kenesh took place yesterday. Understanding the importance of the elections to a new two-chamber parliament, Kyrgyz President Askar Akayev has come to a polling station to cast his vote. Akayev gave an interview to reporters and answered questions from foreign observers who are monitoring the elections. We are offering for your attention Akayev's speech.

[Begin recording] [Akayev, in Russian] A new parliament is set to give me lots of laws and codes that will

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contribute to the success in further democratization of our society and market reforms. This is what I am expecting from the new parliament and not power. I want to say the following: political activity shown by our people during the election shows that they haven't lost their patience yet, and this fills me with optimism. The reforms and democratization will successfully move ahead. It is important that both chambers have professional (?journalists) in order for them to get inside information on how the parliament works and provide our people with objective information. The parliament is needed because we are already late in adopting extremely important laws. To secure our success in reforms, in economic reforms, social welfare, and democratization of society, we need to adopt at least five codes and hundreds of laws. People are well aware of this.

For the reforms to succeed and in accordance with a planned schedule, we will need to support it legally. I hope people will participate in the second round of elections and elect the parliament. We are still learning democracy, and we are taking the first steps. All of us, including the power structures, electorate, and president, do not have a neccessary political and democratic culture. I think the elections, the first democratic and free elections, will raise to a new level the culture—I mean political culture—of our people and electorate. We should hope that with time professional parliamentarians will join the parliament.

The new parliament will represent a wide range of public interest, all social walks of our society, including the new ones, entrepreneurs. I can see that there will be many representatives of this strata, and I am pleased with this. Many political parties. Unfortunately, none of the parties would have a majority in the parliament. The parties still don't have a wide social support. I want to stress two important aspects: first, it affects the political stability [word indistinct] at the higher echelons. Second, the parties are a sort of a control mechanism over the executive power. [end recording]

News Conference on Election Results

LD0602160595 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1200 GMT 6 Feb 95

[FBIS Translated Text] The Central Election Commission held a news conference for journalists and foreign observers at Government House today, chaired by presidential press secretary Kamil Bayalinov. Markel Ibrayev, chairman of the Central Electoral Commission, announced the preliminary results of the elections held on 5 February.

Seventy-two cent of the republic's electorate voted.

Two people were elected to the Legislative Assembly of the Supreme Council and 11 were elected to the Chamber of People's Representatives.

Of over 1,000 candidates, 180 will now go forward for second- round elections. They include 66 candidates for the Legislative Assembly and 114 candidates for the Chamber of People's Representatives.

The second-round elections will be held on 19 February.

Of the more than 80 women candidates, just seven or eight are left to participate in the second-round elections.

Violations of the regulations were committed at some polling stations. [words indistinct] and explanatory work is being carried out at them.

In the elections of the heads of Osh and Bishkek cities, 55 percent of the electorate in the capital voted and 75 percent voted in the city of Osh.

There are no specific data on the elections of deputies to the regional and district local governments.

At the end of the news conference Markel Ibrayev answered questions put by journalists.

Former Communists Come Out on Top

LD0602124795 Moscow INTERFAX in English 1138 GMT 6 Feb 95

[FBIS Transcribed Text] Bishkek, Feb 6 (INTERFAX)—Former members of the Kyrgyz Communist Party constitute an overwhelming majority in the new Kyrgyz parliament while "democrats got lost somewhere on their way", President Askar Akayev told Interfax Monday [6 February] commenting on the first election returns.

Elections to the new Kyrgyz parliament were held Sunday.

"Those who accused me of establishing a dictatorship and of the absence of democracy could see that Kyrgyzstan has a democracy," Akayev said.

Earlier he told the press that the country is only learning to take its first steps along the road of democracy and does not have a high standard of political culture yet.

Before the elections the president hoped that reformers, not conservatives, who blocked reforms in the old Supreme Soviet, would predominate in the new parliament. He stressed that law-making in support of current economic reforms should become the key task of the new parliament.

Akayev Appoints New Agriculture Minister

LD0602164795 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1000 GMT 6 Feb 95

[FBIS Translated Text] Here is an edict by the president of the Kyrgyz Republic on Talgarbekov:

Bekbolot Talgarbekov is to be charged with carrying out the functions of minister of agriculture and food of the Kyrgyz Republic. A request is to be submitted to the Supreme Council of the Kyrgyz Republic for its agreement to the appointment of Bekbolot Talgarbekov as minister of agriculture and food of the Kyrgyz Republic.

President Askar Akayev of the Kyrgyz Republic.

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Tajikistan

UN General, Russian Border Guard Chief on Border Situation

LD0602172395 Dushanbe KHOVAR in Russian 1005 GMT 6 Feb 95

[Unattributed report: "Meeting at Headquarters of Russian Border Troops"]

[FBIS Translated Text] Lieutenant General Anatoliy Chechulin, commander of the group of Russian border troops in Tajikistan, has held a meeting with General Hasan Abaz, head of the UN military observers in Tajikistan. The two sides exchanged opinions on matters of mutual interest.

The Russian general provided information on the current situation on the Tajik-Afghan border, and in particular, along its Pamir section. The military observers were given the alarming information that Tajik opposition formations intend to carry out a series of military operations against Russian servicemen of the Kalaykhumb border detachment by firing on military convoys and personnel on the Kalaykhumb-Khorog highway.

During the meeting General Hasan Abaz noted that he would undertake every step to prevent provocations and gave an assurance that he would let leaders of the Tajik opposition know, through his own channels, about the Russian command's concerns, and that he would strictly observe the inter-Tajik cease-fire agreement.

Rakhmanov Meets Russian Envoy, Receives Yeltsin Letter

LD0602200595 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 6 Feb 95

[FBIS Translated Text] President Emomali Rakhmanov has received Michislav Senkevich, Russia's ambassador to Tajikistan, at the latter's request.

The ambassador has delivered to Rakhmanov a personal letter from Russian President Boris Yeltsin.

The sincere meeting focused on matters of mutual interest, in particular, on coordinating the positions of both sides and the situation in the region.

Both sides have expressed the opinion to further support the developing of multilateral cooperation between the two countries.

Government Insists on Moscow as Venue for Peace Talks

LD0702115395 Moscow ITAR-TASS in English 1134 GMT 7 Feb 95

[By ITAR-TASS correspondent Sergey Bazhenov]

[FBIS Transcribed Text] Moscow February 7 TASS—The official Tajik authorities insist that the fourth round of peace talks with the opposition be held in Moscow as it was agreed at the previous round in Islamabad.

"The position of official Dushanbe remains without changes", Tajik Foreign Minister Talbak Nazarov told TASS by telephone on Tuesday [7 February] adding that his ministry will "officially outline its position towards the continuation of the inter-Tajik dialogue" next week after consultations with President Emomali Rakhmanov.

Nazarov was responding to the refusal of the Tajik opposition leader Akbar Turadzhonzoda to hold talks in the Russian capital because, as the opposition believes, the presence of Russian troops on Tajik-Afghan border is a violation of Tehran agreements between the conflicting Tajik parties.

Spokesman of the UN secretary general Joe Sills told reporters in the United Nations that Turadzhonzoda had turned down the insistent appeals of the officials of the UN Secretariat to hold the talks in Moscow. However, the opposition leader agreed to hold the next round in any other capital of the CIS countries.

Turadzhonzoda was also quoted as saying that the opposition is ready for new talks at any time.

Russia sent troops to Tajikistan to guard the border with Afghanistan from where Tajik opposition militants are acting against authorities.

Opposition Says No to Moscow

LD0602210495 Moscow ITAR-TASS in English 2039 GMT 6 Feb 95

[By ITAR-TASS correspondent boris Sitnikov]

[FBIS Transcribed Text] United Nations February 6 TASS—The anti—government opposition declined to hold the fourth round of inter-Tajik talks in Moscow, Joe Sills, spokesman for the UN Secretary General Butrus Butrus-Ghali, announced here on Monday [6 February].

Under-secretary-general for special political affairs Marrack Goulding met with Akbar Turanjonzoda, head of the Tajik opposition's delegation at the inter-Tajik talks, in New York on February 3. The Tajik opposition said that it declines to hold the fourth round of talks in Moscow, Sills quoted Turanjonzoda as saying.

Officials of the UN Secretariat persistently called on Turanjonzoda to accept that the fourth round of talks would be held in Moscow in keeping with a decision made at the third round of inter-Tajik talks in Islamabad, Pakistan.

Sills quoted them as saying that the move would indicate the Tajik opposition's adherence to the national reconciliation.

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Turanjonzoda said in response that the opposition is ready to participate in the fourth round of the talks at any time, but it cannot agree to having Moscow as their venue.

He accounted for his position by describing activities of the Russian border-guards at the Tajik-Afghan border as contrary to the Tehran agreement.

The Tajik opposition is ready to hold the talks at any other capital of any other CIS member state without exception, Turanjonzoda said.

Uzbekistan

Finance Minister Comments on First IMF Loan

LD0702101695 Tashkent BIZNES VESTNIK VOSTOKA in Russian 3 Feb 95 p 1

[Unattributed article: "International Monetary Fund Assesses Creditworthiness of Uzbekistan's Economic Reforms at $74 Million"]

[FBIS Translated Text] The Board of Directors of the International Monetary Fund [IMF] 25 January unanimously approved a project to grant Uzbekistan a loan of 49,875,000 SDR [special drawing rights], which when converted comes to around $74 million. The credit was granted through the so-called systems reform mechanism for a 10-year term at just over five percent interest a year, with four and a half years' grace before repayments are due to start. It is the first concrete result of negotiations which our government conducted with the IMF over more than a year, with varying degrees of success.

The credit was granted on the basis of a government program of macroeconomic stabilization and systems reforms which was coordinated with the IMF. Described as "ambitious but feasible" by Istvan Szalkay, the IMF's Uzbekistan representative, the program envisions that, for example, the monthly inflation rate should fall to four or five percent by the middle of the year and to two percent by the end of it. Suffice it to say that in the first half of last year average monthly inflation reached 25 percent, and according to the IMF the annual inflation rate was 425 per cent.

At a news conference held at the Central Bank, Bakhtiyor Hamidov, deputy prime minister and finance minister, commented on the loan granted to Uzbekistan and said all the money will be channelled into trading on the republic's currency exchange. One of the government's key tasks is to sharply increase sales in freely convertible currency.

Assessing the economic situation in the republic, Hamidov said that Uzbekistan achieved a positive trade balance of $280 billion with CIS states, particularly the Central Asian countries. We will end the year with a zero balance with Russia.

Intensive privatization is continuing. It is confirmed that by the end of the year the proportion of output produced in the private sector must reach 60 percent of the total.

It is planned that between $1.3 and $1.5 billion in foreign investments are to be processed by the government in 1995 alone. The state intends to pursue a policy of reducing the proportion of trade credits by increasing credits for purchases of technology.

The problem of the domestic debts which enterprises owe each other continues to be fairly acute. In Bakhtiyor Hamidov's view, the sum total of nonpayments has reached 16 billion soms. In the deputy prime minister's opinion the reasons for this are the inability of managers of economic entities to work under the conditions of market economy, wrongly concluded agreements with partners, and lack of experience in carrying out preliminary checks on clients' creditworthiness through the commercial banks.

The present credit from the IMF may not be the last. The issue of a World Bank credit to support Uzbekistan's national currency is likely to be resolved positively by May. This credit has initially been put at $160 million. In addition, under the IMF's conditions Uzbekistan can claim the second portion of systems reform mechanism loan and get a second loan worth the same as the first—$74 million. To this end the IMF will examine the way the state program is being implemented and whether the stated macroeconomic parameters are holding up.

Uzbekistan has thus received its first ever credit from the authoritative international finance organization. It is now up to us whether we really can achieve a qualitative improvement in the economic situation and become a reliable partner for the IMF, the World Bank, and other potential lenders and investors.

President Meets Russian Delegation From Volgograd Region

LD0602175095 Tashkent Uzbekistan Television in Uzbek 1300 GMT 6 Feb 95

[FBIS Translated Text] President Islam Karimov of the Republic of Uzbekistan today received a delegation from Volgograd region led by Ivan Shabunin, the head of administration in the region.

[Unidentified correspondent] Welcoming the guests to Uzbekistan, Karimov said at the meeting that Volgograd was a major industrially developed region in Russia, that he was well aware of the region's latest achievements, and that mutually advantageous cooperation takes place between Uzbekistan and Volgograd in the oil and gas, agricultural, and other sectors. Other matters of mutual interest were discussed at the meeting.

First Deputy Prime Minister Ismail Djurabekov, Deputy Prime Ministers Kayim Khakkulov and Yuriy Paygin [name as heard] and other officials attended the meeting.

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Central Bank Chief on Bank's Role in Economy

LD0402160295 Tashkent NARODNOYE SLOVO in Russian 2 Jan 95 p2

[Unattributed report: "When the Credits Work"]

[FBIS Translated Excerpt] Investments determine the strategy of the economic development of Uzbekistan.

The CIS republics are currently experiencing a difficult period of systematic transformations in their economies on the way to their formation and development. The strategy of economic reforms of each one proceeds from the understanding of the necessity of considerable transformations both in scope and depth. It is extremely important to understand that in this situation the Central Bank, together with other regulatory institutions of the state, as never before, are responsible for preserving, strengthening, and developing the industrial and economic potential of the country. Emphasis placed only on the traditional levers of the macroeconomic situation will only worsen the economic situation.

Today we talk about these problems with Mamarizo Nurmuratov, deputy chairman of the Central Bank board. [passage omitted]

[NARODNOYE SLOVO] Please tell me about the results of the development of currency circulation in the republic over last year, and the present-day problems and the future plans of the Central Bank in the sphere of monetary policy.

[Nurmuratov] The situation in the monetary sphere last year developed on a background of continued economic tension. The introduction of our own interim and later permanent national currency allowed us to carry out an independent monetary policy. Accordingly, the task of monetary policy last year was the consistent formation of a mechanism for the anti-inflation policy.

During 1994 certain work was carried out with the aim of the re- orientation of the monetary policy of the Central Bank and covering credit demands of the economy to achieve the goals of macroeconomic stability through a restrained policy of refinancing commercial banks.

The toughening of the monetary policy showed itself in increasing the norms of reserve demands, raising the Central Bank's refinancing rate, the rationing of centralized credits and other measures to restrain the growth of the mass of currency and, finally, inflation. The policy being carried out has brought its results—the inflation rate has considerably decreased since the second half of 1994.

These facts unambiguously show that the government and the Central Bank are continuing to gradually develop the levers of regulation of currency circulation, understanding all the importance of money's role in the stabilization of the economy.

This year the Central Bank sees its task in the more active use of the market instruments of interest policy and the policy of regulating the volume of currency.

The application of market relations will ensure the intensification and development of the credit system, the optimization of deposit and loan flows, an increase in financial and payment discipline and efficiency and flexibility in anti-inflation policy.

Reducing the budget deficit and restricting budget expenditures to incoming receipts are also becoming a factor in securing the stability of the som. In 1995 it is planned to reduce the budget deficit to 3.5 per cent of GDP and cover it with noninflationary sources.

[NARODNOYE SLOVO] Despite everything you have said, the Central Bank has quite often been accused of allocating centralized credits, indulging inflationary processes and artificially supporting the economy.

[Nurmuratov] The Central Bank really has extended targeted credits to commercial banks for top priority industries in the economy. But this, in no way means that fighting inflation is outside of our field of vision. One should not forget that granting credits was carried out within the limits of the established orientations of the growth of the aggregate money supply, and when this was worked out a number of proposals and recommendations of the IMF and World Bank were taken into consideration. The crux of the problem lies in the fact that the implementation of a classically rigid monetary policy is burdened by real restrictions in the process of systematic transformations in the economy of the republic and, moreover, taking into account the socio-economic conditions and specific institutional features which formed over 70 years. A rigid monetary policy will bring serious negative consequences. It is necessary to understand and assess correctly the adaptive policy of the Central Bank in this situation. The structural deficit of investments today requires the interference of state institutions. The Central Bank is no exception.

Think yourselves, with what internal sources and using what nonstate credit institutions is the real financing of considerable volumes of capital investments in the enterprises of key industries possible?

We see bank credits as the main source of development of production in the conditions of the difficult transition period to the market. Owing to such an approach to the problem we do not have a general recession but a stable growth in output of oil, gas, grain, cotton, petrol and others. So the main borrowers from the republic's commercial banks are the enterprises: Uzbekneftegaz [Uzbek Oil and Gas], Goskomnefteprodukt [State Petroleum Product Committee], Minenergo [Ministry of Energy], the gold-mining industry, and the textile industry. At the same time the Central Bank comprehensively stimulates the investment activities of commercial banks.

It is also quite important that the dynamics of budget expenditure for investments over the last four years is

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increasing steadily. The share of funds directed towards investments increased from 12 percent to 25.6 percent in the structure of using GDP from 1991-94.

[NARODNOYE SLOVO] The problems of introducing convertible currencies are still of interest to all the CIS republics. Please, tell me how the problem of achieving domestic convertibility in Uzbekistan is being solved. Explain to me, please, how do the credit backing of the economy and the achievement of the convertibility of the national currency combine. You know, it is no secret that a close interdependence between these segments of monetary policy does exist.

[Nurmuratov] The Central Bank's policy in solving this issue is grounded on the concept of introducing som convertibility stage by stage. The achievement of full internal convertibility is the main task of the third stage of the market transformations.

[NARODNOYE SLOVO] At present taking into account the shortage of hard currency, the Central Bank issues patents for the privileged right to convert soms to hard currency to enterprises in top priority industries and those importing essential goods into the republic. Once the volumes of net receipts of foreign currency in the republic are increased the regime of currency restrictions will be eased and the circle of participants in currency operations will be broadened.

So the volume of foreign currency sales at the Uzbek Republican Exchange starting on 15th April increased from 1-2 million U.S. dollars to more than 10 million dollars by the end of the year. Over this time the number of authorised banks who are members of the currency exchange increased 150 percent. Recently a government resolution was adopted which stipulates, inter alia, the obligatory sale to the Central Bank starting 1st January, of all hard currency proceeds received from the export of state and centralized resources and the abolition of current privileges for the obligatory sales of 30 percent of hard currency earnings. According to our forecasts this will allow the creation of the necessary resource base for broadening operations in the internal exchange market.

Such measures create the necessary preconditions for increasing hard currency resources for providing the internal convertibility of the national currency during the transition period of development of the economy. I want to emphasise that the Central Bank constantly keeps the work of the currency exchange in its field of vision.

As for credit support then I would like to suggest taking into consideration our policy before and after the introduction of the som. During the first period we carried out direct support of the economy, that is we gave the opportunity to banks to strengthen themselves financially. Our studies showed that achieving the internal convertibility of the som and economic growth would be quite problematic if we only used the current gold and foreign currency reserves and credits from international organizations. In this context we began supporting import replacing industries thus cutting an enormous demand for hard currency. Otherwise the foreign reserves of the Central Bank of Uzbekistan could not have withheld the necessary volume of oil, gas and grain imports, although Uzbekistan is one of the largest gold and cotton producers in the world. The amount of operations at the currency exchange is forecast to be brought to one billion dollars by cutting centralized imports of energy and grain and increasing exports. Isn't this one of the preconditions for the internal convertibility of som?

[NARODNOYE SLOVO] Uzbekistan has always declared reliance on its own potential. At the same time you have mentioned foreign investors. What role does foreign business play in the economy of the republic?

[Nurmuratov] Uzbekistan relies on its own strength above all, the basis of which is formed by our industrious people and resources. Together with the above, our purpose is to determine our specialization in the world economy. We view the achievement of internal convertibility to be a means of integration into the world economy and trade.

At present about 1,500 joint ventures function in our country. Among our partners are Mercedes Benz, the Daewoo corporation, Newmont and many other world famous companies, export and import agencies and banks. [passage omitted]

As a result, the structure of foreign trade turnover of the republic is gradually being changed and its volumes are being increased. Foreign trade turnover of Uzbekistan in 1994 was 3.6 billion U.S. dollars.

One more characteristic trait—the share of purchases of technological equipment and transport in the import structure last year increased by about 10 percent, reaching 26 percent of total volume.

[NARODNOYE SLOVO] What is your opinion for the prospects of the development of the banking system in Uzbekistan?

[Nurmuratov] The banking system of Uzbekistan was reorganized on a two- level basis in 1991 with a view to adjusting banking to the conditions of the market economy, in accordance with the law of the Republic of Uzbekistan on banks and banking activities. The commercialization of the operating state specialized industrial banks was carried out on a republican level. This principle of commercialization fully corresponded to the state of the economy at that time and the programme for the stage by stage transition of the economy of the Republic of Uzbekistan to market conditions of management.

However as the market relations in the economy of the republic are being developed, the organization and functioning system of the main commercial banks (Uzagroprombank [Uzbek agroindustrial bank], Uzpromstroybank [Uzbek industrial construction bank]

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and Uztarbirkorbank [Uzbek enterprise bank]) and their activities ceased meeting the up to date requirements of the economy and they need serious changes, adequate to the requirements of the systematic transformations and the market economy.

In this connection the measures being taken by the Central Bank in the development of the banking system (increasing the minimum size of authorized funds and fixing specific terms for raising its size to the minimum and so on and so forth) are directed towards the differentiation of commercial banks according to their function and the size of their authorized funds into:

1. Universal commercial banks with main banking licences for all types of operations,

2. Commercial banks specializing in a specific circle of banking operations.

At the same time the Uzbek Central Bank examines the importance of individual commercial banks, putting the same requirements to them irrespective of their form of ownership and sphere of activities. The banking infrastructure is being formed by this to meet market demands.

One more thing. Banking in the whole world is regarded as the most strictly controlled sphere of enterprise because the economic interests of commercial banks are closely interwoven with the interests of the state, its citizens and economic entities. In connection with this the activities of commercial banks are the most important object of state regulation of the economy and of supervision by the Central Bank.

At present 28 joint-stock and commercial, cooperative and private banks with more than 520 branches and departments have been registered and function on the territory of the republic. Uzagroprombank, Uzpromstroybank, the National Bank for Foreign Economic Activities and a number of others are the largest among the commercial banks.

Joint banks are also appearing in Uzbekistan. The Uzbek-Turkish UT Bank has started its activities with an authorized fund of two million US dollars. The representative offices of the State Bank of India, Deutsche Bank, Malaysia's Berkhad Bank, the Credit Commercial de France, Berlinerbank and others have been opened. The question of founding other joint banks and opening branches of foreign banks is being considered.

In conclusion I would like to point out the following. A peaceful creative process is underway in our republic, an energy base for the economy has been created, the basis of a market infrastructure has been formed and public accord has been achieved. The course of economic reforms in our republic finds more and more understanding and support in many countries of the world. And it is no wonder that consistency and a graded approach are necessary when solving the large-scale tasks of the transition economy.

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Armenia

Negotiations on Nagorno-Karabakh Conflict Begin

NC0602191195 Yerevan NOYAN TAPAN in English 1347 GMT 6 Feb 95

[FBIS Transcribed Text] 06/02/95 NOYAN TAPAN—The negotiations are attended by the representatives of Azerbaijan, Armenia and Mountainous Karabakh. The negotiations are being mediated by the OSCE Minsk group co—Chairmen Anders Bjorner and Vladimir Kazimirov. A draft agreement which is discussed at the negotiations provides for complete cessation of combat operations, separation of warring parties and introduction of international observers into the conflict zone.

According to the Armenian Foreign Ministry, the Armenian delegation is headed by the top presidential aide Zhirair Libarityan, the Azeri delegation is headed by the Azeri State Advisor Vafa Guluzade. The Karabakh side is represented at the negotiations by the Karabakh Foreign Minister Arkadi Ghukasyan. Deputy Foreign Minister of Armenia Vardan Voskanyan also attends the negotiations.

Political Motives Seen Behind U.S. Economic Aid

MM0602152695 Moscow PRAVDA in Russian 4 Feb 95 p 2

[Article by Boris Mkrtchyan: "Dollar Binds the Transcaucasus. What Lies Behind the American Credits"]

[FBIS Translated Text] Yerevan—Last week the Armenian press published a letter from U.S. President B. Clinton to L. Ter-Petrosyan in connection with the results of the Paris meeting of the World Bank consultative group. At this meeting, the readiness to give Armenia financial aid was expressed, and a high assessment was also made of the "commitment of the Armenian Government to large-scale economic reforms." At the same time, Clinton notes that $250 million out of the 350 million needed for next year have already been allocated, and he gives the assurance that "the United States for its part will supply over $100 million within the framework of a general aid program of assistance for 1995."

There is no doubt that this great concern on the part of international financial organizations and the U.S. Administration over the stabilization of the Armenian economy is due to political motives. The United States and a group of leading European countries are extremely interested in a "pro-Western tilt" in the foreign policy orientation of Armenia, which today is essentially the only Transcaucasus region whose population traditionally gravitates toward Russia. If American politicians manage to pull Armenia over to their side and fasten it to a Western alliance once and for all, then Russia's position, in a region as strategically important as the Transcaucasus, will be weakened considerably. Nor can it be ruled out that a serious blow will be dealt to Russian foreign policy priorities in the zone of the Central and Northern Caucasus, which has long been a sphere of special interest for Turkey—one of the United States' main military-political partners.

The United States' considerably enhanced interest in Armenia can also be attributed to internal political shifts in this Transcaucasus republic. The current Armenian leadership has successfully broken up the ranks of the opposition, which was strong until recently, and of which the majority supports an openly pro-Russian orientation. Furthermore, the opposition includes forces which are still fighting for the idea of the republic entering a confederative alliance with the Russian Federation. But by and large it can be concluded that by squeezing out the opposition, President Ter-Petrosyan and his supporters have gained a good chance of victory at the parliamentary elections coming up this spring. Naturally this raises the rating of the present Armenian Government in the eyes of Western politicians and encourages them to stake a lot on Armenia.

If a triple alliance of the United States, Great Britain, and Turkey is able to strengthen its position in Azerbaijan, Georgia, and Armenia, squeezing Russia out of the Transcaucasus, then this action may have a painful effect in Russia itself and generate another, even more acute "sovereignty syndrome" among its components. Western politicians and business magnates who so hate to part with their money will nevertheless do so for the sake of all this, and, with kind "parting words," will grant sizeable credits to the as yet young and as yet "independent" republics of the former USSR.

A few days ago, U.S. Ambassador to Armenia Harry Gilmore informed the Armenian leadership that a big delegation of high-ranking U.S. government officials is assembling in Armenia. With what aim? We must assume that once again, it is a very specific aim....

Azerbaijan

Aliyev Relieves Defense Minister Mamedov of Post

NC0602132395 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 6 Feb 95

["Decree issued by the president of the Azerbaijani Republic relieving Mamedrafi Ismailoglu Mamedov of his post as defense minister of the Azerbaijani Republic"—read by announcer]

[FBIS Translated Text] Guided by Paragraph 6 of Article 121/4 of the Azerbaijani Republic Constitution, I have hereby decided that Mamedrafi Ismailoglu Mamedov be relieved of his post as defense minister of the Azerbaijani Republic.

[Signed] Azerbaijani Republic President Geydar Aliyev

[Dated] Baku, 6 February 1995

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Sefer Ebiyev Appointed Defense Minister

NC0602133995 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 6 Feb 95

["Decree issued by the Azerbaijani Republic President Geydar Aliyev appointing Sefer Akhunbalaoglu Ebiyev defense minister of the Azerbaijani Republic"—read by announcer]

[FBIS Translated Text] Guided by Paragraph 6 of Article 121/4 of the Azerbaijani Republic Constitution, I have decided that Major General Sefer Akhunbalaoglu Ebiyev be appointed defense minister of the Azerbaijani Republic.

[Signed] Azerbaijani Republic President Geydar Aliyev

[Dated] Baku, 6 February 1995

Ebiyev Given Rank of Lieutenant General

NC0602134695 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 6 Feb 95

["Decree issued by the president of Azerbaijani Republic conferring the rank of lieutenant-general on Sefer Akhunbalaoglu Ebiyev"—read by announcer]

[FBIS Translated Text] I hereby decree that the rank of lieutenant general be conferred on Azerbaijani Republic Defense Minister Sefer Akhunbalaoglu Ebiyev.

[Signed] President of Azerbaijan Republic Geydar Aliyev

[Dated] Baku, 6 February 1995

Dismissed Defense Minister Mamedov Reportedly Arrested

NC0602140795 Baku AZERTAC in English 1245 GMT 6 Feb 95

[FBIS Transcribed Text] Baku (February 6) TURAN—Today at the session devoted to the issues of military construction the president dismissed from his post the Defence Minister, General-Lieutenant Mamedrafi Ismailoglu Mamedov.

The appointment of the former Deputy Minister Sefer Ebiyev is expected to this post, he was awarded the rank of general major.

According to the informed source in the presidential office the reason of dismissal of Mamedov was the serious shortcomings in the supply and training of the army due to which the minister has been criticized several times over the past period.

[In a related item, Baku Azertac in English at 1257 GMT on 6 February adds the following: "According to the latest unofficial information Mamedrafi Mamedov is arrested. The reason of the arrest is unknown yet."]

Aliyev's Decree on Social Security Reported

NC0602195495 Baku Radio Baku Network in Azeri 1700 GMT 6 Feb 95

[Decree issued by President Geydar Aliyev; date not given—read by announcer]

[FBIS Translated Text] Considering the need to maintain the financial [word indistinct] in the Republic's economy and improve the people's social security, I have decided the following:

1. The wages will be increased by 1,500 manats to total 5,400 manats, beginning on 1 February.

2. The pensions, retirement pay, and social aid will be increased in accordance with the new wages.

3. The Azerbaijan Council of Ministers, Ministry of Finance, Ministry of Labor and Social Security, and the State Social Security Fund will be instructed to take the necessary measures to realize this decree.

[Signed] Geydar Aliyev, president of Azerbaijan.

Georgia

Shevardnadze Interviewed on Economics, CIS Policy

LD0602135595 Tbilisi Radio Tbilisi Network in Georgian 0617 GMT 6 Feb 95

[Regular weekly interview with State Council chairman Eduard Shevardnadze by journalist Nato Oniani—live]

[FBIS Translated Excerpt] [Oniani] When receiving the credentials of Tedo Japaridze last week, U.S. President Clinton said: The United States supports Georgia's progress on the path of reform. This process is very difficult, especially, if one takes into account the war and unrest, which are inevitable at a time of dismantling the old and building the new. Nevertheless, you have made significant progress.

At a meeting of the Cabinet of Ministers last week you put forward a proposal on state provision for reforms.

Also, you visited the Tbilisi state rayon power station yesterday.

These probably are the main economic events of last week which you are going to discuss.

[Shevardnadze] Thank you. Good morning.

As the U.S. president noted during his meeting with our ambassador, reforms have indeed entered an active phase now. But I would like to discuss some negative aspects of the beginning of this economic and financial year.

Despite the continuing implementation of the anticrisis programme, an increasingly advantageous macroeconomic atmosphere and the signing of mutually beneficial

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economic agreements with Ukraine and Bulgaria which are to create new opportunities for cooperation, the first month of 1995 was rather difficult because of the deterioration in the energy situation and failure to make full use of our potential. [passage omitted]

According to the Georgian republican budget for 1995, January revenue was expected to reach 10,000 billion coupons. But according to data from the National Bank, only 4,500 billion coupons were contributed to the budget in January, 1,100 billion coupons of which came from bread sales. The same source says that budget expenditure was 4,300 billion coupons in January instead of 10,500 billion, as planned. You can see that failure to fulfill the income part of the budget has determined a reduction in the already limited funding of the population's social protection and other vital expenditure.

These problems have arisen as a result of the difficult financial position of payers, the rising debts of enterprises and organizations and the inefficient operation of the banking system. The adverse effects of poor tax discipline are very serious.

However, it must be noted that the Tax Inspectorate and the Customs Department were trying to solve this problem. For example, the Customs Department contributed 172 billion coupons, up to 23 million rubles and $197,000 to the budget. This is several times more than in the same period last year. This does not include data from the Batumi customs. By the way, I am surprised there is no such information.

At the same time, in line with tradition, the beginning of the year saw a reduction in the level of tax collection. I have singled out the Customs Department because these figures clearly show that once an organization and people start working, it is possible to achieve good results. Unfortunately, this does not apply to the budget in general. [passage omitted: says the coupon is still stable in Tbilisi at 1.3 million to the dollar]

You have already mentioned a meeting at the Tbilisi state rayon power station yesterday during which we examined issues relating to the restoration of the station's key units which had been damaged in a serious accident. It all cost our country very dear.

Power engineering should become the main concern for the entire country. In fact, this has already happened. The Tbilisi plant is an extremely important source of energy. The population is aware of the very serious consequences of the accident. It is now becoming possible to restore the key units and generate energy. Several months will probably be needed. One unit can be repaired in the first half, while the other, the 10th unit - by September.

Yesterday we set ourselves the task of continuing work on the construction of a new unit - the 11th unit. Almost 60 percent of the equipment needed to assemble it has already been delivered, and much of the construction work has been carried out. Since there is a possibility that more funds may become available, I think that the completion of the new unit should be put on our list of priorities. It is not likely to be completed this year, but it could be launched at the beginning of next year. [passage omitted]

I would like our listeners to know that, as far as funding is concerned, the European Bank has already issued credit.

[Oniani] Is it the loan worth 18.1 million dollars?

[Shevardnadze] Yes, $6-7 million is to be spent on the Tbilisi plant, primarily for water purification as well as other work.

Our ambassador to Germany, Mr. Gabashvili, and the chairman of the Committee for Foreign Economic Relations, Mr. Bachiashvili, informed us yesterday that the German government has decided to give us a long-term loan worth 20 million German marks [DM] as urgent assistance to restore the plant. This would be another example of our German friends helping us. You will remember that they have also given us DM30 million for agriculture. This sum is still to be distributed. This assistance comes as a respite and should allow us to heave a sign of relief. So, work at the plant could may be stepped up.

There has been another important development. The large German insurance company Hermes has in the past refused to issue policies to German businessmen wishing to invest in Georgia. That was because of the complex, unstable situation in our country. Now, Mr. Gabashvili informed me two days ago that Hermes has agreed to insure specific projects - not general projects, such as the restoration of the Georgian economy, but specific ones, such as, for example, the restoration of the Khudoni hydroelectric power station, projects relating to food production, agriculture and so on. This was a decision of great significance. Taking into account that German businessmen are very interested in Georgia, one should think that this will attract more investment. [passage omitted]

I would like to say a few words about reforms. A decree is being prepared on state provision for reforms. Everything is under review: the role of the Cabinet of Ministers, the premier, deputy premiers, ministers, ministries and departments. The pace of reforms in every state structure will be appraised. If a ministry does not actively support reforms and is not an organizer and initiator itself, then there is no need for such a ministry and minister. This also applies to heads of administration, mayors and many others.

[Oniani] This is in order to prevent a situation when only two or three people in Georgia are dealing with reforms.

[Shevardnadze] You are absolutely right. That is how it has been so far. Now we are setting ourselves the task of turning the successful and dynamic conduct of reforms into a matter of concern for the entire state and the most important state problem. That is how it should be.

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[Oniani] The Georgian parliament will resume work tomorrow. Parliament is entering the pre-election period, which is the most important phase in its life. The results of the last session are well known: only three of the planned 42 laws were adopted. It is expected that the issue concerning the Cabinet of Ministers will be central during the forthcoming session. We remember that parliament started this debate when it was examining the budget. Parliament is also expected to discuss the events of 13 January [abortive march on Abkhazia by former Defense Minister Tengiz Kitovani]. Do you think things will continue as usual, or will a substantive discussion on structural reorganization start already tomorrow?

[Shevardnadze] Unless there is a radical turn toward legislative activity in parliamentary life, we will not be able to overcome the crisis. That is how it looks at present. I will present to parliament my view of the current situation in Georgia. I will present a list of laws without which reforms will reach a deadlock. If it happens, then all of us, including parliament, will have to answer for that.

By the way, improvement in the crime situation at a time when there are certain changes and breakthroughs will to a large extent depend on legislation. That is why legislation should determine parliament's activity in the time that is left. When I present the list, they will realize how much work there is to do. It may so happen that the time which the parliament still has will not be enough. Then there will be elections and a new parliament. It will be some time before it starts examining laws, and Georgia could find itself in a very difficult position.

As regards the draft concerning structural changes submitted by the Cabinet of Ministers, I have carefully examined this document. Unfortunately, I did not attend the Cabinet meeting which adopted it. My impression is that this draft is unlikely to have a real impact on the situation in the country because everything in it comes down to arithmetic changes. It mainly deals with the number of posts, the number of deputy premiers, the number of ministries to be merged or created and so on. It does not deal with qualitative changes.

These questions are now being examined by commissions. I believe that further consideration is needed, because there is no sense in poorly considered changes. I support reforms, and the report which I am to present to parliament will also feature my views on qualitative changes in the Cabinet of Ministers.

As for the events of 13 January, members of parliament will receive appropriate information. The main thing is to allow the law-enforcement bodies to act within the limits of their authority. If they do not violate the law, there should be almost no interference in their activity either from parliament or other authorities.

[Oniani] You have already expressed your position on Nursultan Nazarbayev's proposal which he is going to present at a meeting of CIS leaders in Almaty. In this respect, do you expect any positive changes regarding Abkhazia? As is known, Nazarbayev's proposal envisages the signing of a document supporting peace and harmony among CIS member-states. You stressed two aspects of this: a principled position of CIS states on aggressive separatism and on the violation of territorial integrity.

[Shevardnadze] There are many interesting things in Nazarbayev's proposal. However, if the amendment concerning the position of CIS member-states on aggressive separatism, which I have sent, is not adopted, then it will all remain at the level of general declarations. I think that it is in the interests of the absolute majority of CIS member-states to have a true commonwealth, be true partners and hold the same views on the aggressive separatist movement. This, I believe, is the most burning issue for the CIS. Let us see what happens. [passage omitted]

Nadareishvili Threatens Using Russian Example in Abkhazia

LD0602174295 Tbilisi Radio Tbilisi Network in Russian 1510 GMT 6 Feb 95

[FBIS Translated Text] Tamaz Nadareishvili, the deputy prime minister of the Republic of Georgia and the chairman of the Supreme Council of the autonomous republic of Abkhazia today told our correspondent that if the Abkhaz conflict could not be resolved in a political way, then Georgia, in order to protect its territorial integrity, would resort to the same measures as Russia.

Delegation Leaves for Geneva Talks on Abkhazia

LD0702111095 Tbilisi SAKINFORM in Russian 2359 GMT 6 Feb 95

[FBIS Translated Text] [No dateline as received]—A Georgian delegation led by Jaba Ioseliani, chairman of the conflict settlement commission and member of parliament, left for the next round of talks on a peaceful settlement of the Georgian-Abkhaz conflict which opens in Geneva tomorrow.

Interviewed before his departure, delegation member Irakli Machavariani said that the Georgian side's position remains unchanged. It will defend the country's territorial integrity and stress the need for the return of Georgian refugees to Abkhazia before 15 May, when the Russian peacekeeping forces' period of stay in the conflict zone is due to end.

Machavariani said that, according to available information, the Abkhaz authorities are out of touch with reality, and there is little hope that they will accept the Georgian side's proposals in Geneva. However, this does not mean that the Georgian side should not attend the talks because, first of all, there is still a chance of reaching agreement, which should not be wasted, and second, the Geneva talks will again reveal the Georgian side's genuine intentions and the true colors of Abkhaz separatism.

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Georgia, South Ossetia Agree on Joint Control of Highway

MM0702110195 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Feb 95 p 1

[Unattributed report: "Georgia Breaking Window Onto Russia"]

[FBIS Translated Text] Talks have been held in Tbilisi between the leaders of the Georgian MVD [Ministry of Internal Affairs] and representatives of South Ossetian law-enforcement organs. Agreement was reached at the meeting on joint control of the highway from Tbilisi to Russia.

Political observers in the republic attach very great importance to this meeting. Georgia has an opportunity to arrange direct motor vehicle communications with its main political and economic partner—Russia. The republic is currently blockaded—the road through Sukhumi is controlled by Abkhaz troops, the pass through the Caucasian range is controlled by South Ossetian detachments, and the last road, through Baku, is impassable owing to the war in Chechnya.

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Lithuania

Visiting Belarusian President Holds News Conference

LD0602171495

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 1115 GMT on 6 February broadcasts a live relay of a news conference in Vilnius by President Alyaksandr Lukashenka of Belarus. Speaking in Russian, followed by translation into Lithuanian, he says:

"We have signed a treaty on friendship and cooperation, which should have been signed a long time ago. It has to be this way, we are neighboring states." He went on to say:

"As for the second treaty, on the border, I must say that the drawing up of this treaty, the very process of drawing it up and the signing can and should serve as an example of such cooperation for other states in this area." He said that the controversy over the ownership of Adutiskis railway station had been politicized in both countries and praised the pragmatism recently shown.

He continues: "We have many problems. These two treaties open up big potential for us to cooperate. We will be directly involved in trade and economic problems, transit problems, joint construction of certain facilities on your coast. This will be advantageous both to us and to you. So, the value of this meeting and treaty is its huge potential for our two states in the area of trade and economic relations."

In reply to a question about how Brazauskas and he view the future development of relations, especially concerning visas, Lukashenka says: "If you will allow me, Mr. President, I will say a few words to our journalist. I believe, Valeryy [correspondent], you well understand my attitude on this. I think that it is absolutely clear-cut. It is abnormal [the visa system]. My credo in policy, especially in foreign policy, is directed toward the integration of the republics of the former Soviet Union. For me it is surprising and abnormal. The president himself raised this issue today. I think that the Belarusian side will not raise any obstacles to the solution of this problem, and must not be."

A question from the Lithuanian daily LIETUVAS RYTAS, asks: "I should like to ask the president of Belarus how he assesses the proposal of the Russian border guards that they should guard the border of the Baltic states jointly with Belarus?"

Lukashenka replies: "I am surprised at you possessing at times rather superfluous information concerning this issue. As president, for example, I do not know anything about this." He then speaks of the recent economic agreements with Russia and the border agreement with Poland. "But as for Russian border guards protecting the western border, that is the first time I have heard of it. We have enough high-class border guards to provide protection of the border, both with Poland, and I hope with Lithuania."

When asked to specify what facilities Belarus and Lithuania intended to build on the Lithuanian coast, Lukashenka replies that it primarily concerned facilities to enable Belarus to receive alternative energy sources, such as an oil terminal and an oil pipeline. He continues: "One other thing—the proposal by the president of Lithuania to create an East-West corridor across Lithuania, i.e. across Belarus and Lithuania. This will also give us additional jobs, it means investments and is very beneficial for our republic on the level of renewal and construction of highways for the territory of the Republic of Belarus. This will be beneficial also for Lithuania. It is a trunk route. We are also examining the construction of a railroad and the reconstruction of a highway that goes through Warsaw to Germany. We also want to take part together with Lithuania in the construction and reconstruction of our roads and Lithuanian roads within this program proposed by the president of Lithuania."

Asked about troop concentrations on the border with Lithuania, he says that were no such concentrations, and that Belarus was reducing its Armed Forces. "I assure you that if you formed the opinion that the Republic [of Belarus] was starting a militarization cult aimed against Lithuania—at least during my leadership of the republic, my government—you will not even notice a tiny movement of Armed Forces on the Lithuanian-Belarusian border. I precisely assure you of this. If someone else tries to do that, perhaps after my leadership of the republic, he would simply be removed from the political scene of the Republic of Belarus, since we know what war is, and you probably also know that 30 percent of the population was killed during the Great Fatherland War, the Second World War. So, we do not even have a tendency in this direction. Thank you."

Landsbergis Criticizes Foreign Policy 'Passiveness'

WS0702104595 Tallinn BNS in English 1237 GMT 6 Feb 95

[FBIS Transcribed Text] Vilnius, Feb 06, BNS—The leader of the rightist opposition in the Lithuanian parliament, Vytautas Landsbergis said Monday he considers Lithuania's foreign policy unsuccessful because of "two vices—satellism [as received] and passiveness."

Landsbergis called Lithuania's decision to apply earlier regulations to Russian military transit "capitulation against Russia's pressure" and inability to maintain "political independence."

In his opinion, Virgilijus Bulovas, head of the working group for talks with the CIS, should resign. But, Landsbergis added, "the LDLP (ruling Lithuanian Democratic Labor Party) will not appoint a better one."

The opposition leader criticized the Lithuanian Foreign Ministry for constantly underlining "good relations with Russia." Russia itself is considered the expert, he said. When Moscow says that Lithuania's policy is unfriendly,

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Lithuania "starts to tremble" and searches for a way to make its policy friendly, Landsbergis told a news conference.

The opposition leader said Russia's strategic aims this year will be to establish two military bases in Latvia, to bring troops into Narva, Estonia, and to create a military link between Lithuania and Belarus. "The Baltic states would in such way become a buffer zone of Russia, not the West," he said.

Landsbergis blasted the government for its "failure to avoid disfavor of the United States and Germany" with respect to the process of integration into NATO.

The fact that the International Relations Committee of the U.S. House of Representatives has decided to strike the Baltics off the list of possible candidates to join NATO indicates that "the executors of our foreign policy simply idle about," the opposition leader said. Landsbergis also noted that there have been no explanations on the decision from Lithuania's Ambassador in Washington, Alfonsas Eidintas.

"We are now associated not with the Visegrad states but with Ukraine," the opposition leader emphasized.

As reported, the House committee decided last week that Estonia, Latvia, Lithuania and Ukraine are not prepared for NATO membership and cannot be regarded as possible candidates to join the alliance.

Deputy Questions Moscow's Control of Kaliningrad

LD0602185895 Moscow INTERFAX in English 1658 GMT 6 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] VILNIUS, Feb 6 (Interfax)—Deputy of the Lithuanian Parliament Romualdas Ozolas believes that "Europe should finally decide who must own the Kaliningrad Region by law". He made the statement Sunday [5 February] on Lithuanian TV.

Ozolas is the leader of the centrist political party "Union of the Center", and is among Lithuania's three most popular politicians.

He claims that at the Potsdam Conference of 1945 the Kaliningrad Region was handed over to the former Soviet Union "to be administered temporarily until the problem is solved at a peace conference." The deputy believes that the period of "temporary administration" established by documents of the Potsdam Conference expires in 1995.

Ozolas said that the demilitarization of the Kaliningrad Region is "a problem of Lithuanian security, which is impossible to solve without reaching an agreement on the region's status".

However, the present Lithuanian leadership does not question the ownership of the Kaliningrad Region. For example, Prime Minister Adolfas Slezevicius said in January that the region "has been and will be a component part of Russia."

Oil Spill by Unknown Ship Pollutes Seashore

WS0702122795 Tallinn BNS in English 1836 GMT 6 Feb 95

[FBIS Transcribed Text] Vilnius, Feb 06, BNS—Around 2 tons of heating oil spilled by an unknown ship in the Baltic Sea off the Lithuanian coast have polluted several kilometers of the country's seashore, officials said.

Patches of oil in the sea were noticed late last week by the Lithuanian coast guard. The spill smeared heating oil over about 4 kilometers of the Lithuanian seashore, including resort areas. Part of the spill is being held back by ice.

On Friday, experts inspected the spill area from a helicopter. Clean-up work is due to begin this week.

It is presumed that the spill occurred on Jan. 31 or Feb. 1. Lithuanian officials said they will inspect all ships that sailed to or from the Lithuanian seaport of Klaipeda during the period.

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